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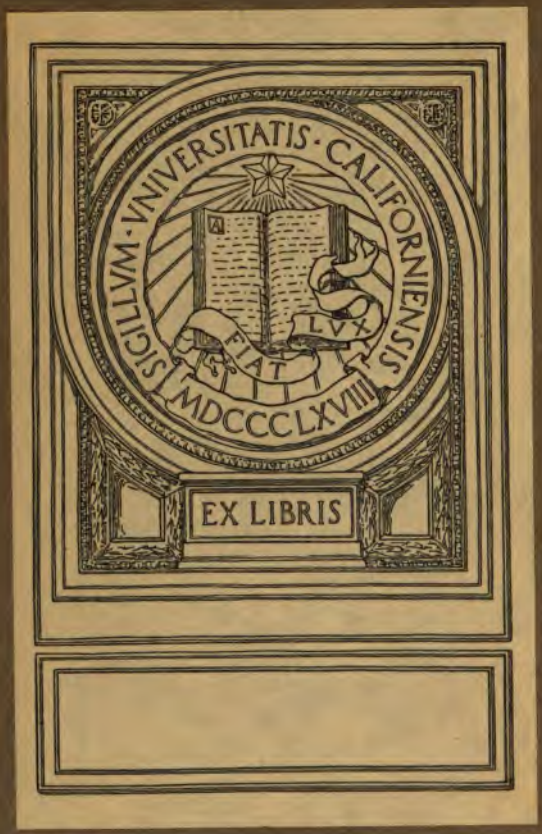
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THE MANAGEMENT OF THE SALES ORGANIZATION

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THE MANAGEMENT OF THE SALES ORGANIZATION

BY

FREDERIC A. RUSSELL

ASSOCIATE PROFESSOR OF BUSINESS ORGANIZATION AND OPERATION,
COLLEGE OF COMMERCE AND BUSINESS ADMINISTRATION,
UNIVERSITY OF ILLINOIS.

FIRST EDITION

McGRAW-HILL BOOK COMPANY, INC.
NEW YORK: 370 SEVENTH AVENUE
LONDON: 6 & 8 BOUVERIE ST., E. C. 4
1922

HF5-435
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PREFACE

This is not offered as a complete treatise on sales management or sales administration. It aims to treat only one of the several phases of the general subject; viz., the personnel aspect, or the relations which should exist between the sales manager and the traveling salesmen under him. This phase, however, it attempts to cover rather more thoroughly than has been done in other works on sales management.

There are two reasons for confining the discussion to this phase of the subject:

First, because the other aspects are treated elsewhere. The determination of general marketing policies, office records, financing of sales, market analysis, advertising, and sales promotion have received careful study.

Second, because the human element in industry is steadily growing more important and now presents what is generally recognized as its chief problem. As the personnel manager has made himself indispensable in production, so the personnel manager is destined to gain for himself a larger place in distribution.

Business is increasingly human, but it is also increasingly scientific. As in production the principles of scientific management were recognized years ago, so in distribution the same principles are being applied with excellent results. The sales manager utilizes the following principles of scientific management:

The assumption of its full share of responsibility by the management. The individual salesman is not cast adrift to sink or swim, but is provided with every aid the management can offer.

The careful selection of salesmen for their tasks. This assumes an analysis of the work to be done, and a matching of the applicant's qualifications against the requirements of the task.

The training of the salesman.

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The equipping of the salesman with the best tools for his work.

The assignment of a definite task, determined only after a careful analysis of the factors involved.

A system of rewards which shall furnish proper incentive to endeavor, and which shall adjust compensation to productive effort.

The devising and administering of methods, aside from monetary compensation, which shall stimulate the salesman to put forth his best efforts and which shall contribute to the pleasure he derives from his work.

It is hoped that this book will fill a need in colleges and universities as a supplementary textbook in salesmanship courses. The author has found that this phase of sales management should logically be covered in a salesmanship course because the salesman who would attain real success as a salesman must be able to coöperate intelligently with headquarters. He cannot do this unless he understands the problems facing his employer. Even though a man may intend to remain a traveling salesman all his life, he should by all means strive to catch and hold the firm's viewpoint, in order that he may truly represent it.

In addition, many salesmen expect to retire from the road after a few years. One of the pleasantest avenues of escape from the hardships of a traveling salesman's existence is that leading to the sales manager's desk. The ambitious salesman should be preparing himself, even as a student, for this upward step.

To the sales manager the discussion of some of the problems may offer suggestions worth a trial. The theories set forth are for the most part those proved sound in practice by successful concerns. In those cases where a difference of opinion exists regarding a policy, an effort has been made to show clearly both sides of the question.

FREDERIC A. RUSSELL.

URBANA, ILLINOIS,
July, 1922.

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THE MANAGEMENT OF THE SALES ORGANIZATION

CHAPTER I

INTRODUCTORY

BEFORE we can consider the duties of the sales manager of personnel, it is desirable that we should understand clearly just where he stands in relation to the sales department as a whole.

Internal Organization of Typical Sales Department.—There are almost as many forms of organization as there are sales departments, but they partake of the same general character. The sales manager has similar functions to perform, although the emphasis on each may differ with the methods of marketing the product. Among the matters which may be supervised by the sales manager are these:

1. *Advertising.*—We shall discuss later the relations which should exist between the advertising manager and the sales manager. But it is clear that advertising is but one method of creating demand, and as such comes logically within the province of the sales manager. In a small concern the sales manager might attend to the advertising details, but as the business grew he would be compelled to delegate some of these to a subordinate. If the product were sold direct by mail, or were of such general use that advertising played a large part in its marketing, it would probably be necessary to employ a number of persons to attend to the advertising alone. One might get out the catalog, another look after the house organ to consumers or to dealers, another supervise the magazine advertising, etc.

2. *Records.*—The function of this division is to audit orders, expense accounts, salary and commission accounts, to figure the

efficiency of salesmen and branch managers. Here are computed each salesman's quota, his standing in contests, etc. The records division conducts market analyses in some concerns, although this is often carried on by the sales promotion division. The charts and graphs showing the condition of the business in each particular are prepared by the records division. This division of the business may be called the "statistical" or "data" division. It serves all the other divisions in the department by furnishing them with organized facts concerning their particular phase of the business.

3. *Service.*—Where the article is sold to the ultimate consumer, it may be necessary to install a service division to insure the permanent satisfaction of the buyer. The logic of placing this function under the sales manager is clear. The purpose of following up each sale to be certain that each customer is pleased with his purchase is merely to make it easier to make more sales, either to these same buyers or to their friends. The idea behind it is embodied in the old saying: "A satisfied customer is the best advertisement." As one business man has aptly said, "F.O.B. and forget it is not the wisest business policy in the long run."

4. *Office Manager.*—In a very large sales organization it may be necessary to place one person in charge of the routine details of the office system to insure smooth operation. In the average business, however, the general office manager will be able to supervise the clerical work of the sales department.

5. *Sales Promotion.*—The sales promotion division is a connecting link between the sales and advertising managers. The work is somewhat analogous to that carried on by the planning department under scientific management in production. While practice differs widely as to just what functions this division should perform, one of its duties usually is to take inquiries obtained through advertising and, by correspondence, to develop them to the point where the salesmen can more easily close the sales. In this way it takes from the salesmen's shoulders the load of searching for prospects and arousing their preliminary interest in the proposition, leaving them only the work of closing the sale. Where the product is sold through dealers, the task of the sales promotion division is to develop these dealers into big-

ger buyers by teaching them better business methods. This includes education in store arrangement, window display, personal salesmanship, special sales events, etc. This division may also study new uses for the product or investigate the possibilities for a new product. One of the purposes of such a division is to keep the salesmen from gaining too firm a grip on their territories. It accustoms the dealer to direct contact with the firm instead of solely with the salesman, in order that it may not be possible for the salesman to take his customers with him if he goes with a competitor.

The sales promotion department watches the newspapers and magazines for items which will interest and help its salesmen, turning over to them the suggestions thus obtained.

6. *Personnel.*—This is the division of the work upon which the attention of this book is mainly concentrated. This includes the hiring, training, equipping, routing, paying, stimulating, and supervising of the men by their manager.

In the remainder of the book, where the term "sales manager" is used without qualification, the sales manager of personnel is meant.

The Place of Salesmen in a Marketing Campaign.—The importance of the sales manager in a concern depends largely upon the importance of the salesmen in it. That is, if the sales force is relied upon to sell the product, the sales manager assumes a highly important place; if the product sells itself with little pushing on the part of the sales force, the sales manager may be an unimportant executive. There are, in general, four types of products, in the marketing of each of which the sales manager has a different problem and importance.

There is the high-priced specialty for which there is no demand already created. Many new products come under this head, as the typewriter when first introduced, the cash register, the automatic sprinkler system. The customer is not waiting to buy; he must be persuaded that he needs the article. Under such conditions the sales force is given the entire responsibility of creating demand; the number of salesmen is often large; the article cannot be sold through the regular retail channels but can be sold only by salesmen trained in the knowledge of the product and the most successful specialized methods of selling.

The sales manager of such a force has a larger task than in any other type of organization.

A high-priced specialty of this character gradually passes from this class into the second class—those that are in more general demand. That is, its merits have become recognized and the public is realizing its need. Advertising has been introduced to influence demand, so the salesman's task is simplified somewhat. The talking machine, the automobile, the filing cabinet have entered this stage. Under these conditions the sales force does not usually have to be so large, the articles being sold through dealers as the introductory period is passed. The sales manager shares authority with the advertising and sales promotion managers as a creator of demand.

A third category is made up of those articles which may be classed as necessities, but which are not in general demand, as certain types of office supplies, or articles selling only to farmers or bankers. In the marketing of such articles the sales manager must share the work of demand creation with the advertising manager and sales promotion manager, the latter assuming a large place in the marketing scheme. Advertising will be done in specialized rather than in general mediums, and much of it will be direct-mail literature. The sales force sells the product, supported by advertising.

The last stage is entered when an article becomes a necessity in general demand, like flour, clothing or fountain pens. Here competition is likely to be keen; the product is sold through dealers instead of direct to the user; the element of service to the dealer is introduced, so that the salesman must not merely sell the product—he must show the dealer how to sell it. Advertising plays a large part, and the sales promotion man is also active, but the sales force sells the goods and develops good-will for the firm.

Types of Sales Organizations.—The relation of the sales manager to his salesmen depends much upon the type of sales organization selected. In general, there seem to be four main types of sales organizations:

1. The home office type.—Under this system all the salesmen travel out of the city where the factory is located. It is apparent that if the territory covered is a large one, the sales-

men's trips would be long, covering perhaps several months. Clothing and shoe salesmen are likely to work under such an organization. Other seasonal products are sold in a similar fashion. The drawback to this type of organization is that the men are not in such close touch with their territory as they might be, for they are at headquarters perhaps a third to one-half of their time, leaving the territory unprotected against competitors. This system was naturally the first to develop as the factory grew and the effort was made to find an outlet for the product. When retailers bought but once or twice a year it was fairly satisfactory, but with the increasing tendency among retailers to depend more upon a rapid turnover and to order oftener and in smaller quantities, this form of organization has grown less satisfactory.

The sales manager's relations to such a sales force can be personal, for they all live in the home office city, and get in to headquarters several times a year. He knows each man by his first name. On the other hand, the men are away from home for longer periods than under other systems, which fact raises problems of supervision not so keenly present where the salesman is able to get home to his family more frequently. Such salesmen are subjected to greater temptations, and the weakening of the home ties by long absence makes it necessary for the sales manager to consider the moral welfare of his men somewhat more than would otherwise be necessary.

2. The second type of organization is the same as the first except that the salesmen do not live in the headquarters city, but have their homes in their territory and travel out from those cities. There is no field supervision of the salesmen under either of these two plans, all control being from headquarters. Under this second type of organization the sales manager must lay more emphasis upon means of getting acquainted with his salesmen, conventions must be held, and correspondence with the salesmen must be carried on vigorously. The house organ plays an important part in making the salesmen feel acquainted with each other, while the other executives at headquarters must coöperate with the sales manager in maintaining the contact between the house and its salesmen.

This form of organization enables the salesman to keep in

closer contact with his territory, to look after the needs of his customers better, to meet competition more effectively. But it compels the sales manager to work at long range with his men, thereby introducing the problems mentioned above.

3. When the business grows sufficiently, a third type of organization is often adopted. Under this plan district or branch offices are opened at strategic points, each with a sales manager in charge. The salesmen usually travel out of the branch office city, and the branch sales manager has thus an opportunity to become well acquainted with each man. The general sales manager is in charge of all the salesmen, but works through the branch manager, his chief function being to originate plans and policies to be carried out through the branches. Under this system the contact between the salesmen and the factory is somewhat weakened. While there may be an annual sales convention at headquarters, it may not be attended by anywhere near the entire sales force. While there may be a house organ for salesmen, it may be supplemented by bulletins issued from the branch offices.

The hiring and training of salesmen may be done by the sales manager at headquarters if the work is highly standardized, but otherwise may be delegated to the branch managers. Even under these conditions, there must be some effort at uniformity of sales methods and policies. The extent to which the sales manager delegates his authority to the branch managers will depend upon a number of circumstances.

4. If the business continues to expand, it may be necessary to adopt still a fourth type of organization. This type is similar to the third, but provides for further subdivision of the districts into smaller units. These may be under head salesmen, who in turn supervise the work of six or eight other salesmen. These head salesmen are corporals, each commanding a small squad, and reporting to their superior officers in charge of the branch office.

This system appears to operate satisfactorily in concerns where the type of salesman is not very high and the class of salesmanship required is more of the plodding than of the real, demand-creating variety. These head salesmen may be used to create new business while the regular men take care of the old

customers; they may care for complaints, make adjustments, and render service in their territories. In addition to these functions, if the firm handles a variety of products, the head salesman may be used to push certain articles in the line which are not selling satisfactorily. He checks up on the salesmen and coaches them in the field.

Under this system of organization the sales manager must operate through the branch managers and the head salesmen. These latter particularly must receive training and be carefully selected. In addition, they must be shown how to train and stimulate the men under them. The house organ may be taken over entirely by the branch office. In short, the personal contact of the sales manager with his men is very slight but his policies are carried out through his subordinates.

THE SALES MANAGER—HIS CHARACTERISTICS

Let us now turn to a consideration of the sales manager himself—what characteristics he should possess and in what way he would secure them.

Experience.—First of all, he should have had some experience as a traveling salesman. Whether he need have been an exceptionally good salesman is not so clear. Star salesmen frequently do not make the best sales managers, as they are likely to be somewhat impatient and intolerant of mediocrity in others. The salesman who was not so good naturally, but who was compelled to study and work for every bit of success he achieved, would probably be able to catch the viewpoint of the average salesman better than would the man who succeeded in selling goods, without knowing exactly how he did it.

However, it is possible for a salesman to be on the road so long that he is ruined as a sales manager, particularly if he is really in love with road life. A dyed-in-the-wool salesman may be unable to settle down, to attend to the routine, to supervise instead of perform. The man with no sales experience may do well enough in the records or advertising divisions of the sales department, but he lacks the qualifications for a personnel manager of salesmen.

Whether the sales manager should be elevated from the ranks

of the concern's own sales force or brought in from another force depends upon circumstances. Unless the salesman so promoted has the complete respect of his colleagues, it will be difficult for him to carry on his work effectively. Other things being equal, it is better to promote from within the ranks, and, where the business is intricate and peculiar, this is especially true.

Personal Sympathy with Men.—The experience as a salesman will give the sales manager the proper attitude toward his men. It is essential that he regard them as colleagues in a common cause, as individuals with definite personalities rather than as pawns on a chessboard to be moved here and there, or even sacrificed, as the situation demands. The ideal sales manager will sympathize with the trials of his men on the road, will take an active interest in their private affairs, and will know enough about each man to enable him to offer each the individual help needed.

This individual treatment idea is fundamental. While a large sales force may be handled pretty much *en masse,* the sales manager who would get the best results must know just what motive will move each man to put forth his greatest efforts. A writer on the subject says:[1]

> During the past two years I have called on scores of sales managers and with only a few exceptions I find it the rule for men in charge of salesmen to follow a uniform plan for dealing with all the men under them. Only occasionally have I found a man who considered each man an individual problem—who had one rule for one man and other rules, each differing in detail, for the rest.
>
> "I keep a card record on every one of my salesmen," one such sales manager told me. "This is solely for my own information and not for use as a company record. I make no effort to pry into the private affairs of my men, but I try to remember whatever they tell me voluntarily about their personal matters and jot it down on one of these cards. It has helped me to understand many things about men that would otherwise have puzzled me."
>
> Every normal man has a spring of action. It is true of most of us that we have an incentive, that we look for a reward and that we long for independence. This is safe ground to start on in sales management. But if we do not pursue the question so far as the individual salesman and try to find out what his principal incentive is, what sort

[1] ROLAND COLE, in *Printers' Ink,* Jan. 26, 1922.

of a reward appeals most to him, and what his ideas of independence are, we have not crossed the threshold of efficient management.

While it may not be essential for the sales manager to be a spectacularly successful salesman, he ought to be a good one, capable of going out and showing his men how it ought to be done. As a matter of fact, he should make it a point to get out into the field for several weeks each year, so that he may not lose the viewpoint of the salesman. New problems in selling are constantly arising, and it is necessary for the manager to keep in touch with the changing conditions under which his men are working.

Loyalty to His Men.—The sales manager must be absolutely loyal to his men. They should regard him as a friend at court, not as their harshest critic. Other executives will be less tolerant of the salesmen's shortcomings than the sales manager, and it should be his task to explain and smooth over these causes of friction. Not that he should assume the attitude that his men are always right and the home office staff always wrong, but he can frequently adjust amicably matters that threaten to develop into petty feuds. Unless the sales manager has backbone enough to "stand up for" his men against unfair criticism, he need not expect them to exhibit unswerving loyalty toward him.

While the sales manager properly tries to instill loyalty into his men, he should take care that this loyalty is for the house and not merely for him personally. The sales manager who permits his salesmen to place their affection for him before their loyalty to the concern they all represent is as disloyal to his employers as the salesman who attempts to "sew up" his territory—to gain such a personal hold on customers that he could transfer a large proportion of them to another firm if he should change employers.

The sales manager is but an employee, and should never lose sight of the fact that it is his duty to build an organization which would function efficiently even without him at the helm.

Organizing Ability.—The sales manager must be a man who can build up a strong organization. He is not working with machines or statistics, but with men. He must be able to project his ideals and policies out into the field, and to make

large numbers of scattered salesmen represent the house as he would represent it were he on the ground. Unless he can achieve this multiplication of himself through an organization, he has failed as a sales manager.

This all implies that he should have some code of administrative principles, to which he must adhere. This code will include such things as promotion principles—whether a man can expect promotion and just what he must do to earn it. The salesmen should be informed as to who is responsible for every matter, so that they need waste no time in making inquiries.

Absolute Fairness.—The sales manager must be careful to avoid the appearance of favoritism. He must be able to justify each move in the eyes of the other salesmen. This trait of absolute impartiality and justice is perhaps one of the most valuable the sales manager can develop. It is the foundation upon which his code of administrative principles must be built.

The salesmen should be encouraged to feel that merit will be fully rewarded without solicitation. The salesman who feels that he must obtain an offer from another concern to force a salary increase from his present employer is always going to be casting about for these other offers, at the same time neglecting his own business. Such a policy destroys the morale of a force.

Suggestions from the men must be encouraged in every way. If they are adopted, full credit should be given. If they are not adopted, the sales manager must take great pains to see that the salesmen offering the suggestions are given a complete and convincing explanation of the reasons therefor.

The position of the sales manager will be clear if we think of him as a salesman himself. He is engaged in selling ideas to his men. The tactics he uses will depend upon the class of salesmen employed, and upon the individual with whom he is dealing. It is necessary for him to study psychology, motives which lead to the desired action, and means to appeal to these motives, just as it is necessary for the salesman to study the mind of the buyer.

Knowledge of Business as a Whole.—While the sales manager of personnel must have primarily the selling viewpoint, it is vital that he should possess a sympathetic understanding of the other branches of the business. This point is discussed more

in detail later in the chapter, but here it should be mentioned that the man aspiring to this position should seek to acquire some training in the records department, where he can observe sales statistics dispassionately, and learn the possibilities of the various territories and the weaknesses of the various men. Here he learns the importance of proper reports and records. Some experience in the credit manager's office is splendid training, for here he gets the negative side of the question and can sympathize with the credit man who refuses to pass for credit an order from a salesman who has been careless in ascertaining the customer's credit standing. A short time in the accounting department is of value, for here he learns terms, discounts, and datings. He sees the work of each salesman analyzed, with the net profits to the firm stripped bare of all confusing covering. Here he learns that it is not always the salesman with the largest sales total who is the most valuable to his employer. This experience, coupled with actual selling, will give the prospective sales manager the broad viewpoint which is essential.

The Salesman and Scientific Management.—There has been agitation against scientific management in production on the grounds that it destroyed the initiative of the workman, reduced his work to a deadening routine, and made it possible to get along with less intelligent, lower-priced workers.

It may be of value to examine the influence of scientific sales management upon the salesman who works under the system. Does it stifle his initiative, does it reduce his work to a monotonous routine, and does it enable the employer to sell goods with lower-paid salesmen?

There seem to be some indications that careful training and supervision of a sales force do make it possible to sell goods with lower-paid salesmen than would otherwise be required to sell the same volume of goods. But is this altogether a bad thing for society or even for the individual salesman? It is certain that the cost-to-sell is reduced, which is a decided benefit to the consumer. It seems equally clear that the salesman who is trained and supervised can sell more and can therefore earn more than the same man could have done if left to his own resources. The result seems to be, then, that the cost-to-sell is reduced and that the salesmen working under the system are making more than

they could otherwise. The loss is sustained by the inefficient salesmen who are forced out of selling and may be compelled to accept other employment at a lower wage.

RELATION OF THE SALES MANAGER TO OTHER DEPARTMENTS

Necessity for Inter-departmental Coöperation.—When a business outgrows a one-man supervision and is split up into departments, it usually loses something of its driving power. Almost inevitably there arises a lack of coördination and coöperation among the various departments which noticeably slows down the progress of the business. The head of each department is bent on making a good showing for his own department, regardless of the effects his policies will have upon the business as a whole. One of the chief functions of the able executive is to bring these semi-hostile departments into efficient coöperation.

The salesmen are constantly in contact with nearly every other department of the business. They touch the credit department, the production department, the advertising, the traffic and shipping, accounting, the adjustment, the service, and even the financing phases of the business. Inasmuch as they are in this close contact with the other departments of the business, it is vitally essential that they be instructed regarding the proper relations which should exist between them and the most important of these other departments. This instruction is naturally given them by the sales manager. Upon the thoroughness of this instruction will depend to a large degree the effectiveness of the sales force and of the whole organization.

Precedence of Sales Department Over Others.—One of the first problems demanding solution is whether the sales department takes precedence over the production and financing departments. Some have argued that the object of every business is to sell goods, and therefore the sales department is supreme—that all the other departments exist merely to make the goods sold by the sales department and to keep a record of the resulting transactions. This viewpoint is false. The purpose of most businesses is to make profits; and, while it is true that the men in the factory and the office are dependent upon the sale of

the goods for their very jobs, the interdependence is not all in one direction.

Others have contended that it is the function of the sales force to sell whatever the factory decides to make, and to sell it in any quantities produced. To these people, the production end of the business is the chief consideration and the sales force merely a necessary evil. This viewpoint is as untenable as the foregoing.

The argument as to which department is most essential or which should exert the largest influence in the councils of the concern is futile. No one department is supreme; the business is the unit, and each department is subordinate to the interests of the entire business. This is the viewpoint which should be forcefully impressed upon the salesmen if they are to avoid creating friction in their relations with the various departments.

Let us take up some of the departments one at a time and see just what should be the relation of the salesman to each.

The Production Department.—Perhaps the most friction has occurred in relations with the production department. As a general rule, the men in charge are of diametrically-opposite temperaments and training, the production manager being an engineer accustomed to dealing with fixed and measurable factors, while the sales manager is likely to be trained in another school, and to be unappreciative of the factory man's viewpoint.

The salesmen should be taught a number of things about the work of the production department. For instance, they should know how the goods are made. One successful concern brought its men in from the road for several weeks and put them to work in the factory during a season when they were oversold. After this experience the men were able to discuss the product far more intelligently. This point is elaborated in the chapter on Training.

Another point at which friction may occur has to do with the styles and models to be made. The production manager views the matter from the dollars-and-cents, cost-of-production standpoint. He sees clearly the added burden when a change is made in the product. He can estimate the increased cost of only a slight change, which the salesman would consider of no consequence at all.

The average salesman is prone to demand changes in his product, believing that these would make it easier for him to sell it. Often he is wrong in assuming that these would make it easier for him to sell; he has gained this impression from prospects who have refused to buy. In many cases these reasons are not the real reasons for refusal to purchase. Therefore, the demands of salesmen for changes in the goods must be discounted in most cases, although their suggestions ought to be heard, since sometimes they contain a valuable idea.

Indeed, salesmen are inclined to favor a multiplicity of models or styles, believing that their chances of making sales are thereby increased. The truth of this may well be doubted, as many concerns have drastically decreased the numbers of models and discovered little if any decrease in total sales. There are, rather, certain advantages in standardizing on fewer models: a decrease in production cost, decrease in office expense, and often a decrease in selling expense. The salesman need not carry so many samples, he can concentrate his energies on fewer models, thereby gaining a reputation among the trade as an authority in a specialized field, his individual orders are larger, and he can call on a greater number of prospects. The salesman should be open-minded and should be willing to give a fair trial to the proposal to standardize on fewer models.

The quality of the product is of genuine interest to the salesman. It is to his interest to make certain that the quality is not lowered after demand has been created. Smokers are often heard to complain that, after they had become devoted to a particular cigar, the makers started to use inferior tobacco, evidently thinking that their customers would not change. This is a point on which sales and production departments should get together, for, if a lowering of the quality is not necessary in order to continue to sell at the same price, the policy will alienate good will and make it more difficult for the sales force to secure orders in the future.

Importance of Synchronizing Output and Sales.—Perhaps the most important way in which the sales and production departments can work together is in the matter of synchronizing sales and output. The lack of this coördination takes two forms: the selling of the various articles in wrong proportion, or the

selling of too much or too little during a given time. Each of these possibilities merits some consideration.

Assuming that the sales force unconsciously concentrates its efforts upon one article in a line of ten, neglecting the other nine, the factory routine will be seriously disarranged. Hurried orders for raw materials must be sent in, the transportation charges on these will perhaps be higher than usual, machines must be adjusted, workmen must be placed upon work to which they are not accustomed, and after this confusion and increased cost of production the goods will not be ready to ship on time to all the customers, and complaints will ensue. In addition, capital will be tied up in the other nine articles which have not sold up to expectations, and storage space will be occupied by them, either in raw or finished state.

The other way in which the two departments may fail to synchronize their efforts has to do with selling too much or too little volume during a given period of time. This is perhaps the most serious point of friction.

The steadying of production is predominantly a sales problem, resting back upon an accurate market analysis. The task of predicting demand can be accomplished successfully only by the sales department, working in harmony with the other departments. Undoubtedly the cost of production will govern the price at which an article can be sold, and the price will influence the demand. But primarily it is demand which must be studied.

The sales department should be thoroughly convinced that regularized production is important. The individual salesman should be made to see the savings resulting from steady operation of the factory at normal capacity. If the factory is running on part time there is a waste in overhead, which must be spread over a smaller output. If it is running over-time, there are other wastes, such as the extra wages which must be paid to the regular employees to induce them to work over-time. If the regular employees do this extra work, their efficiency during the regular working day is probably impaired. If extra help is taken on for the over-time period, these workers are far less efficient than the regular operatives and the cost of production is thereby increased. Errors are more likely to occur in the factory and in the office, with resulting dissatisfaction to cus-

tomers. Shipments will be delayed, and relations with customers generally strained. If the salesmen can be brought to appreciate these facts, much of the friction can be removed.

How Sales and Output May Be Synchronized.—Some of the ways in which this friction may be remedied are:[2]

(a) Offering special concessions to buyers who will place their orders in dull periods. These concessions may take the form of lower prices or more prompt service. The salesmen should be instructed to push for sales in these periods.

(b) Inducements may be offered the salesmen themselves to sell more than usual during the slack seasons. This can be cared for in the system of compensation.

(c) The advertising division should be persuaded to carry on vigorous advertising campaigns to aid in maintaining the flow of orders during the dull periods.

(d) The salesmen should be encouraged to study conditions of demand carefully and report promptly on any changes observed. This will enable the production department to regulate output to meet demand and also will warn the sales department of approaching changes in their problem, which must be met by changed tactics.

(e) The salesmen may be provided with complementary goods, part of which sell well in one season and the rest in another, thereby permitting them and the factory to keep busy the year around.

(f) Sometimes it is necessary to shift the salesmen from one territory to another during dull seasons. For example, they might sell in the North during the summer and be transferred to a Southern territory for the winter. If this is necessary, the sales manager must know it before he chooses his men, as some salesmen might not care to accept such a position.

(g) The salesmen should be trained not to accept all orders for immediate delivery. It is natural that the buyer should wish to obtain as prompt shipment as possible, but in most cases he will be well satisfied with a later date if he sees that it is the best he can get.

Imparting the Sales Viewpoint to Workers.—The sales

[2] Cf. TEAD AND METCALF, "Personnel Administration," pp. 398-400.

manager must go farther than this, and extend his educational activities to the office and factory employees. The salesmen are not the only employees of a concern who can help to sell the product. During the "buyers' strike" of 1921-1922 many firms discovered that they possessed an unsuspected sales force in the workers who had previously not considered themselves in any way responsible for sales. These workers went about among friends, talking up the product, they wrote letters, they thought in terms of sales as they had never done before.

For example, each of the Willis-Overland employees was encouraged to look up sales prospects by the offer of $10 for every prospect thus interested, who bought a car within a certain time. The Baltimore & Ohio Railroad made each of its employees, whether in shop, yard or office, a solicitor of business. They obtained freight and passenger business in an astonishing volume. Every human link in the chain from work bench to sales office must be made to realize how much he can do in increasing sales. The sale actually begins back in the shop; it continues through the inspection process, and is carried on by every office worker who writes a letter to a customer or prospective customer. This sales viewpoint can be promoted by the sales manager in his relations with the other executives and employees. He must show himself willing to give as well as take, to cooperate with each of the others, to teach his men to coöperate, before he can expect to receive the hearty coöperation he desires.

The Advertising Department.—The importance of the advertising department in the sales of a concern depends upon the method of marketing employed. But, whether the product is a specialty or a staple, the purpose of advertising it is to make it possible for the salesmen to sell more of it.

With the specialty, like a typewriter, the function of the advertising is to acquaint the prospect with the merits of the product, so that when the salesman calls on him, his mind is partially prepared. The proposition does not come to him as entirely new, but as a familiar one. With the staple, sold through dealers, the function of advertising is to help the dealer sell the product by creating consumer demand.

It may appear strange, yet there are many salesmen who do not believe in the advertising their firms are doing, and who

would prefer that the advertising be stopped. These salesmen usually believe that if this were done the sums spent for advertising could be added to their commissions, thereby enriching them by just this amount. Their entire attitude toward the advertising department is hostile; they feel that advertising has usurped a portion of their prerogatives. They see in the growth of advertising a menace to them personally, for is it not the chief purpose of advertising to sell goods; and if advertising sells the goods will not the salesman be deprived of his means of livelihood?

The function of the sales manager in this matter is to educate his salesmen in their attitude toward the firm's advertising. What this attitude should be we shall now inquire.[8]

Following Up Inquiries.—One way in which the salesman and advertising department should coöperate is in the handling of inquiries sent in by readers of the firm's advertising. The cost of obtaining these inquiries is higher than it was a few years ago, for it costs more to advertise and more firms are using advertising for this purpose. When one of these inquiries is received, if it is not first handled by the sales promotion department, it should be acknowledged and then turned over to a salesman.

There is a tendency among salesmen to treat these "leads" rather lightly, particularly when they appear unpromising on the surface. To be sure, many salesmen have wasted much time in following up leads, only to discover that the inquirers were merely inquisitive and not seriously interested. Here is a point on which the advertising and sales managers can get together. The advertising should be so worded as to discourage the idly curious, while it attracts those truly interested in the proposition. Then the salesmen should be instructed to follow up these inquiries promptly and thoroughly. Many of them can be turned into orders.

If the product is one which yields a large profit to the firm, as a motor truck, the salesman should be notified by wire of the inquiry, for the prospect may have directed inquiries to other

[8] An excellent treatment of the subject will be found in the booklet, "What a Salesman Should Know About Advertising," published by the Dartnell Corporation, Chicago.

truck manufacturers at the same time. After the salesman has called on one of these prospects, even though no sale was made, he should report promptly to the sales manager, so that the advertising or sales promotion department may bring pressure to bear.

"Talking Up" the Firm's Advertising.—Another point at which the salesman can coöperate with the firm's advertising department is in talking advertising to the dealer. This point has been treated at length by many writers, but the fact remains that many retailers and many traveling salesmen are not thoroughly convinced that well-advertised goods yield a more satisfactory net profit than unknown brands.

If the concern advertises its product, it is the duty of the sales manager to convince his salesmen that this fact is an advantage to them, and furthermore, he should take it upon himself to instruct them in the best methods of presenting the arguments to the dealer. This is not a text on the subject of salesmanship, so that we cannot go into detail regarding these arguments.

At sales conventions and gatherings of the salesmen, the advertising manager should be given ample opportunity to show the salesmen just how he is planning to help them sell more goods. Likewise, the advertising manager must hold himself open to suggestions from the salesmen, many of whom will be able to offer valuable ideas for improvements in the firm's advertising. It is this single-purposed coöperation between the advertising department and the salesmen which makes the work of each yield the highest results.

The instructions given to its salesmen by one firm illustrate clearly the emphasis placed upon the spirit of coöperation. The sales manager wrote his men:

> Jot your ideas (about the firm's advertising) down on the back of a laundry list, if that is the handiest thing, but shoot them in. You have a big advantage over the publicity department in that you are getting around where sales conditions and the tricks of the trade are continually before your eyes. Give the man behind the publicity gun here at the factory the benefit of that experience and don't be selfish enough, or so lazy that you will not convey it to him because it is unhandy to do so.

Proofs of the advertisements should be sent the salesman in

advance of their appearance, together with a schedule of the mediums in which they will appear and the dates.

The Credit Department.—Perhaps there is no better illustration of poor coöperation than the relations which exist in many concerns between the sales and credit departments. It is the tendency of the average salesman to take orders wherever he can pick them up, and then pass the responsibility for filling them to the credit man. If the credit man refuses to extend the credit asked for, the salesman is inclined to take sides with the customer against the house, to join with the disgruntled customer in condemning the credit department for the "insulting" stand taken.

The salesman should be taught that he is to a large extent responsible for the credit standing of his customers. If the firm has a definite, settled policy regarding the extension of credit it is the duty of the salesman to enforce this policy. If the credit policy is too severe, it is probably because the salesmen have not coöperated as they should in the past.

This task of teaching the salesman to be a good judge of credit naturally falls upon the sales manager. The new man who starts out should be taught the signs of a poor credit risk, and how to get the facts. He must be taught that the honest buyer whose credit is good will seldom take offense at his efforts to obtain these facts.

Archer Wall Douglas, vice-president of the Simmons Hardware Company, has this to say on the question:[4]

> The salesman must remember that, much as he desires to sell goods, he is doing a very unwise and calamitous thing to sell them to a new customer without first investigating that customer's financial standing. There are various ways of finding this out that give the salesman a fair measure of his customer's status. Is the dealer prompt in collecting from his customers or does he allow their accounts to run and thus fail to provide himself with funds to meet his obligations? Is he a borrower from the banks, and, if so, to what extent, and what does he pledge in the way of collateral? Does he carry sufficient fire insurance policies on his store buildings and contents, on his stocks of merchandise, and also on his own home, if he has one? Has he any mortgages on his store building, his stock of merchandise, and his own home,—and, if so, to what extent?

[4] DOUGLAS, "Traveling Salesmanship," pp. 134-135.

Does he take advantage of cash discounts in his purchases, and does he pay his bills promptly when due? Has he insurance on his own life, if so, to what extent, and does he meet his premiums promptly when due? Has he many overstocks, slow-moving goods, and dead stocks in which he has too much capital invested for the good of his business? Last and most vital of all, what are the customer's habits and what is his character? For in the final analysis, sales and loans are made on character more than on any other one factor.

The answers to these questions determine the financial status of the customer and the extent to which it is safe or unsafe to sell to him. They are likewise the points upon which the salesman's firm most desires to be posted, and upon which he can be their best means of information. Nor are they so difficult to find out as might seem at first blush, especially where the salesman pursues his inquiries with tact and discretion. In many cases the customer himself will tell the whole story to a salesman in whom he has confidence. It is often because of this confidence that the salesman is able to determine at times, even better than his credit department, that it is both wise and profitable to carry the customer over a period of distress when on the face of affairs it may not seem safe to do so.

On the other hand, the well-posted salesman will advise his house that it is high time to collect from some customers, and to collect promptly, sometimes through the medium of the salesman, that there be no delay. It is a distinguishing mark of a good salesman that his house does not have many bad debts in his territory.

The purpose of the salesman and credit man are identical. Each wishes to sell as many goods as possible with as small credit losses as possible. If the salesman catches this point of view, he will find that his relations with the credit manager are pleasant. If he proves himself to be a coöperator, he may reasonably expect to receive coöperation from the credit man. To be specific: if the salesman shows himself to be a good judge of credit, so that the credit man can trust his opinion, the salesman will find that he will have few orders refused by the credit department. In the long run, he will fare better and sell more goods than if he is continually trying to "slip something past" the credit man.

The credit manager should not expect the salesmen to spend a great deal of time gathering credit information unless they are paid for it. The sales manager must protect his men from too great a burden of this sort without adequate compensation,

but must encourage them to gather the facts if this is asked of them.

Honest Buyers Will Furnish Facts.—It must be remembered that many firms make a practice of preying upon the young salesman who is too inexperienced to make inquiries about the financial standing of his customers. The following experiences illustrate this point admirably:[5]

Not long ago a raw salesman went on the road, in an old territory, and surprised everybody by bringing back an unprecedented number of orders. He smashed all records and put the old fellows to shame. Then the credit manager got busy. It was as he surmised: most of the names were new to the house. The salesman had fallen into the clutches of fakers who prey upon young and inexperienced salesmen.

Letters were immediately sent to all of the houses that had ordered goods. The letter was a form letter, and eminently considerate. It simply suggested that, as the recipient was not listed, it would be in order to send an advance payment, etc. Only ten per cent answered with money-orders. The others either did not answer at all, or wrote mean letters, stating that the original orders could be cancelled. They would not do business with a house that questioned their integrity—and more along the same lines.

It is an unwritten law in such matters that the right sort of a firm will never take exception to a request for vindication of their ability to pay. It is an indication that the firm with which you are dealing is conducted along proper lines. No really big and worthy institution will ever "get mad" because the point of credit is brought up.

A salesman must rid himself of the idea that his customer will take offense at these inquiries regarding financial rating and plans for payment. Frankness is the best policy.

Claims and Adjustments.—In the settling of claims and making adjustments the sales department is actively interested. The sales viewpoint must pervade the claims department, to avoid offending good customers who have developed a grievance. It is the task of the sales manager tactfully to keep this idea before the claims department, for if the sales viewpoint is not kept forward his salesmen will suffer in their contact with angry customers.

On the other hand, he should instruct his salesmen to co-

[5] "Making the Salesman Credit Manager," *Printers' Ink*, p. 81, Aug. 11, 1921.

operate with the adjustment department in every way possible. For example, by greater care in making out orders, many misunderstandings may be avoided. Rush orders are a source of claims, as they may be hurriedly filled and packed, to the detriment of the goods. The salesman should be cautioned against the danger of misunderstandings which arise from substitutions for goods ordered. He should be extremely careful not to send in an order for an article which is out of stock. When this is done, the house usually substitutes, and the customer may not accept the substituted article. The salesmen should indicate on the order, when there is any doubt about the ability of the house to fill any part of it, whether the customer will accept a substitute.

Frequently a salesman is asked to make adjustments in person. He should guard against the attitude so often taken—that of lining up with the customer against the house. He should recollect that, after all, he is in the employ of the firm selling the goods, not of the man buying them. The average buyer has scant respect for the salesman who continually assumes an attitude hostile to his firm. The position of absolute fairness is the only one which will prove satisfactory in the long run.

CHAPTER II

THE SELECTION OF SALESMEN

Importance of Careful Selection.—When the manufacturer begins to reckon up the cost of breaking in a new salesman, he finds that it is probably higher than that for any other class of employees. Suppose the new salesman is given just two months to make good. Suppose his daily expenses average only $8. Fifty working days times $8 equals $400. And at that the $400 may be the smallest single cost involved in the experiment. The aspirant who is being tried out may do those things which he should not have done and leave undone those things which he should have done to the extent of ruining thousands of dollars' worth of good-will in his territory—this big buyer ruffled, that one neglected, another one overloaded—truly, the risks and expenses of hiring salesmen deserve more attention than they have been given.[1] J. C. Aspley estimates that it costs from $50 to $5,000 to train a man.[2] Few firms find that new men produce enough business to pay from the very start, and in lines where competition is vigorous, it often is several months before the new salesman ceases to be a liability.

That increased business has followed a more scientific selection of salesmen is the experience of many firms. The Phoenix Mutual Life Insurance Company of Hartford, Conn., has tried for some years to select its salesmen with unusual care, with the gratifying results that five hundred selected salesmen produced $50,000,000 of business where before selection was scientifically carried out 1,714 salesmen produced $19,000,000 of business. In other words, the average business for the selected salesmen was $100,000 each as against $11,085 for the unselected salesmen.[3]

That careful selection cuts down the rate of turnover in the

[1] RAY GILES in *Printers' Ink*, Oct. 7, 1920.

[2] Special Report No. 40 of Dartnell Corporation.

[3] ALBERT E. HAASE in *Printers' Ink*, Dec. 11, 1919.

sales force has been frequently proved, and to this fact may be attributed many of the benefits to be derived from such a policy.

How Marketing Policies Influence Selection.—Before much can be done toward selecting the sales force, the marketing policies of the firm must be clearly outlined. For example, if it were planned to sell direct to the housewife, it would require a different type of salesman than to sell to retailers, while it would demand still another type to sell successfully to large jobbers. Then, too, whether the article is to be sold through large metropolitan stores or by retailers in small towns will make a difference in the character of salesman wanted. The section of the country is also a factor, as the salesman must be adapted to the territory he is to cover.

This study of the requirements for a selling position corresponds to the "job analysis" in factory personnel administration. It is reasonable to suppose that an employer can choose his employees more intelligently if he has a clear-cut conception of the task to be performed. This conception may be gained from first-hand knowledge of selling in the territory under consideration, or it may be gained from a careful study of records in the office, or from salesmen who have traveled in that section.

A salesman from New York took a trip through Iowa for the regular Iowa representative, who was ill. The New York man was one of the high men in the organization in point of sales, but he failed miserably in the Middle West because he carried a cane. The Kansas or Wisconsin salesman might have done much better as a substitute, but the job had not been analyzed, with the result that the wrong man was sent.

Bond salesmen are usually of a high standard as regards personal appearance and social attainments. One big Wall Street broker has analyzed his problem sufficiently to know that these men can not sell as many bonds among small investors as men whose appearance, manner and history enable them to make the small investor feel more at ease. An eastern manufacturer found that his Italian gardener brought business out of the Italian quarter of New York in greater volume than had been thought possible.

The requirements for a successful salesman differ with the class of prospects he will be expected to meet, with the type of

work which predominates, as, for example, walking or carrying heavy sample cases, and with physical conditions in his territory, as climate. It is clear, therefore, that the sales manager must draw up a set of specifications for each job on his sales force if he wishes to handle the situation scientifically.

After deciding upon the marketing plan and the type or types of salesmen wanted, the problem divides itself into two parts: the sources of salesmen, and the tests by which the best men may be culled out from the mass of applicants.

SOURCES OF MATERIAL

1. Advertising.—One investment security house found that a much higher class of salesmen could be obtained by replying to the "situation wanted" advertisements than by advertising in the "help wanted" columns of the daily papers.

"There seem to be several good reasons for this. Obviously, answers to 'help wanted' advertisements always include a good proportion of green men eager to break into the game. Obviously also, many good men hesitate to answer such advertisements—particularly one with a blind signature—for fear their desire to change will leak back to their present employers. This, however, seems to be the chief reason in favor of the salesman who advertises for a new connection—unless he has something worth while to advertise, he will hesitate before spending his money in that way. He has got to make his advertisement pull, and when he starts to write it he realizes that this will not happen unless he can point to actual accomplishment in previous connection. Further, the man who advertises is throwing aside any desire to get into a place through pull or personal connections. He is convinced that he can sell himself to strangers as well as those who may be prejudiced in his favor, and that is a good sign. Also, he already has a job—another good sign. Further, he is usually planning ahead, setting himself a goal, and advertises because he feels that the time has come to take the next step."[4]

The classified columns of the newspapers are generally looked upon with suspicion by sales managers in search of high-class men, but even where this is the case the advertisements may be so worded as to attract good men. For example, L. A. Cerf, manager of the New York branch of the Mutual Benefit Life Insurance Company of Newark, N. J., used small space three or

[4] RAY GILES in *Printers' Ink*, Oct. 7, 1920.

four inches long in the classified columns of the New York papers to advertise for men. In these little advertisements he related the actual experiences of men who had made good in the work. The stories of success were told without embellishments or exaggeration, but placed stress on the necessity for previous success in some line of work. In other words, the man who had failed was not encouraged to tackle the job. This kept the caliber of the applicants high.

For some lines of selling the man who answers the "help wanted" advertisement may be just the man needed. The fact that he is out of a job is regarded by some firms as an asset, especially in selling certain kinds of life insurance, as it is then a case of sink or swim with him and he is going to fight his way through the first discouraging weeks the more stubbornly for this. D. G. E. Sinclair, Superintendent for the Metropolitan Life Insurance Company of New York is an advocate of this theory.[5]

If classified newspaper advertisements are used, they may be worded in such a way as to eliminate many undesirables, as has been done by the New Era Manufacturing Company of New York, a concern manufacturing a check protector which sold for $10. Their advertisements were worded in such a way as to convey the impression that the proposition was a pretty big one, thereby frightening away the "small fry." A line about salary also helps to attract the class of men desired. The experience of the American Can Company with the use of classified advertising was that salesmen who were willing to start on a low salary basis were of a much higher class than those responding to an advertisement offering a commission.

For the higher classes of salesmen it is usually better to use specialized publications, as trade or technical journals, which are read only by those men who are students of the particular field covered by them. This is particularly true when recruiting specialty salesmen, for the fact that a man reads such publications proves in a measure that he is good material.

2. From Competing Organizations.—This source of salesmen was formerly much more popular than it is now. Occasion-

[5] J. C. ASPLEY in *Printers' Ink*, April 30, 1914.

ally it proves a good source, but often it is not. Sometimes, where an especially good man is with a relatively poor house he may be glad to change and it may be good strategy to get him on your side rather than have him against you.

"We have never," says one executive, "been successful in going directly after salesmen employed by competitive houses, but we have had great success with men from competitive houses who come to us. Men taken away from competitors sometimes cast an eye backward at the old connection, but men who volunteer generally do so because they believe that we really produce better merchandise than their former employers. Unless they convincingly show such a belief we do not want them." [6]

A similar opinion is expressed by the vice-president of another corporation in these words:

"Star salesmen hired away from competitors must always be bought at a premium. The salesman developed within the house is easier to keep satisfied from the income standpoint and is slower to leave. The lofty manner in which somebody else's star sometimes accepts my proposition doesn't promise well for the effort he will put forth for me." [7]

If a firm advertises well and widely, it is more likely that competitors' salesmen will wish to make connections, as most salesmen are now convinced that advertising makes it easier for them to sell.

Once or twice firms hiring away their competitors' salesmen have been questioned by the government to see whether they were acting in a manner which might be construed as an unfair trade practice.

Another reason why it may be bad policy to hire a competitor's salesman away from him is that a man who has once shown himself willing to listen to inducements will probably be just as ready to quit your service. This is especially true where a man quits under circumstances that may be embarrassing to his employers. It shows a lack of dependability and loyalty. If a salesman has been in the custom of shifting from one employer to another in a given line, his value declines rapidly,

[6] *Printers' Ink*, Oct. 7, 1920.
[7] *Printers' Ink*, April 21, 1921.

as the trade will place little faith in his sincerity if he appears under new colors every trip.

The advantage of recruiting men from competing organizations is that it is possible to know in advance about what they are capable of producing. The expense of training them is also less. If the hiring of competitors' salesmen can be done on a large scale it may prove successful, judging from the experience of a large wholesale grocery house which, when it established a branch in a new city, induced virtually the whole of its strongest competitor's sales force in that city to transfer their allegiance to the new firm.

3. From Non-competing Firms.—In some ways this is a better source than competing firms. If the salesman is trained to sell a product similar in character or designed to sell to similar prospects, this may prove an excellent source. Friendly customers can frequently offer suggestions as to good men who are calling on them from other houses. Mr. A. E. Corbin of the Packard Motor Car Company is authority for the statement that they have obtained a number of successful salesmen from specialty lines, mentioning particularly salesmen of adding machines.[8]

Whether a man comes from a competing or a non-competing concern, it is usually better to pick him from a smaller firm, unless he expresses a well-founded preference for a smaller business. The man coming to a small firm from a big one is likely to feel that he is too good for the position—that he has taken a step down. He is likely to make untactful comparisons, and to pass up small orders as beneath his notice.

4. From Recommendations of the Sales Force.—This is based on the theory that "birds of a feather flock together." And it *is* desirable to have a force composed of congenial spirits who can work together without friction. Some sales managers find this rule to operate better in theory than in practice, however, as men recommend their friends enthusiastically on the basis of friendship regardless of specific qualifications for the place. Then, too, a man who gets his job through a "pull" of this kind is apt to feel that he has struck a soft berth and

[8] Proceedings of Third Annual Convention of National Association of Corporation Schools, p. 566.

does not have to exert himself unduly. This leads to many such men being discharged, which causes hard feelings on the part of the salesmen who stood sponsors for them.

On the other hand, it is argued, the man who recommends such an applicant will exert himself to help him make good. But if the men are separated by a thousand miles this help will usually amount to little. However, it is wise to consult the members of the sales force more or less informally regarding the employment of a new man, as their opinions may contain helpful hints.

5. From Within the Organization.—This source of salesmen is particularly valuable where the product is a technical one or where the class of customers called on is not far above the average in education and cultural attainments.

For example, the American Steel & Wire Company has followed the policy of developing bright office boys to assume the selling work as they reach maturity. Sales Manager Taylor says:[9]

> "We hire our office boys with a view to their becoming salesmen and then develop them in the office. In picking the boys, we get those of big stature, coming from good families, and having a grammar school education. By promoting our men from office boys to salesmen, step after step, we find that they stay with us and feel that the experience they have in our office is a reason for making their future with us."

Mr. Taylor states that they do not want boys who are over-educated or too aggressive, as their product is sold to customers who are not over-educated and whose good-will is valued too highly to be lost by a salesman who pushed too hard for big sales. What is wanted, are gentlemanly salesmen who can sympathize with the customers.

This promoting of office men to sales jobs is criticized by some on the ground that good office men are picked for characteristics quite other than those which make for successful salesmen. But it is likely that among a large office force some good sales material could be discovered.

The great Sherwin-Williams Company finds its salesmen within its own ranks, often in the factory. Familiarity with the

[9] *Printers' Ink*, April 30, 1914.

product and its process of manufacture is a selling asset of importance in this business.

6. From Retail Clerks.—Where the product is a staple, sold to the retail trade, it is desirable that the salesman shall have had experience in retailing, in order that he may understand and sympathize with the retailer and his problems. The National Biscuit Company is one of the strongest advocates of this source for salesmen, and instructs its salesmen to be constantly on the watch for promising material among the young clerks in the stores visited. Of course, care must be exercised to avoid offending the retailer who is being robbed of his best salesman, but he can usually be made to see that the clerk is capable of earning more than he could afford to pay and that he should be encouraged to accept the bigger job.

"To employers looking for a fresh and vigorous infusion into the blood stream of their sales organizations, the retail clerk is often worth serious consideration." [10]

The general manager of one company attributes this to the fact that the clerk is well educated along retailing lines and thus can better put himself in the dealer's place than the salesman who has always worked for a manufacturer. But this is not the chief reason, in the opinion of the executive quoted. The big one is that the clerk is accustomed to working long hours and steadily. He is disciplined. His number of calls per day runs high, and this makes for a big sales total.

A source somewhat similar to this is the proprietor of a retail establishment who has failed or is not making a satisfactory record in business. Obviously, inquiry must be made into the real causes of his failure, but it will often be found that they were not of a character to detract from his value as a salesman. Indeed, it may easily happen that his failure may be caused by his sympathy for his customers who were not ready to meet their accounts. Or he may have been a poor buyer but a good salesman. Neither is it always safe to affirm that a man who has failed in business for himself cannot succeed when working for someone else. With proper supervision he may prove a splendid salesman.

[10] *Printers' Ink*, April 21, 1921.

7. Schools and Universities.—If inexperienced men are desired, one of the best sources is found in the many schools and universities giving training along the desired lines. Concerns wishing technical men frequently favor the graduate of a correspondence course, for they feel that his having finished the course indicates an unusual amount of tenacity and ambition. The same reasoning applies to graduates of night school courses. For those firms requiring salesmen with a broad training in general economic and business principles, the university commerce graduates are probably best suited. At any rate, each year the number of sales managers seeking salesmen from the graduating classes of our universities is appreciably greater.

A. R. Brunker, president of the Liquid Carbonic Company, says:[11]

"Shortly after I came with this business we found ourselves up against the problem of getting fifty additional salesmen in the shortest possible time. We turned among other places to the universities, colleges and schools for them. We got most of our men that year from the colleges, and now, after seven years, between 30 and 40 per cent of them are still with us and doing good work. Many more concerns are getting salesmen in this way than when I first started out to do it. The first year I went to Cornell looking for selling material, only one other company—the Standard Oil—sent a man there for that purpose. That was ten years ago. The last time I went, two years ago, I was the twenty-ninth man on the job, and I wasn't so late in the year either.

"I believe, from my experience in college and later as sales manager for the American Steel Foundries, that there are no conditions better for revealing the qualities that make good salesmen, than the conditions of college life outside the classroom."

Scores of the large companies manufacturing technical products, like the Westinghouse and Allis-Chalmers concerns, recruit almost all of their men from the technical schools, later putting them through a course of apprenticeship in the shops from a few months to several years.

Men who have played football, baseball or basketball in college are preferred by some sales managers because such men have learned the value of teamwork and how to subordinate themselves and their personal ambitions to the good of the organiza-

[11] *System*, p. 20, July, 1920.

tion. The boy who worked his way through college is also much in demand as a salesman.

8. **Miscellaneous Sources.**—One of the tragedies of the present system of society is that so many young men drift into work for which they are not the best adapted by nature. It is the task of vocational guidance to lessen this maladjustment, but for the present sales managers must expect to discover raw material for their sales forces almost anywhere.

The sales manager for one of the leading automobile companies was a plumber only a few years ago. The star salesman for a well known brand of underwear was a stationary engineer, while lawyers have been known to make excellent salesmen on account of their training in prying after facts. Reporters, for the same reason as well as on account of their ability to meet people, frequently can sell goods.

One reason why men who have not been salesmen before sometimes can sell successfully is that they are not filled with certain traditions which serve to hinder instead of help. They do not know that certain prospects cannot be sold, so they proceed to go after them and sell them. They do not know that orders cannot be taken on Saturday or during the holidays, so they go right on booking business.

Another reason for their frequent success is that they may disarm suspicion by the very fact that they do not look nor act like salesmen, thus obtaining audiences which would be denied to the typical salesman.

Even though an applicant has never sold the product he may know something about it through its use. Farmers' sons who have driven tractors might make splendid salesmen. School teachers have made good as salesmen for publishers of school books. A great bond of sympathy is at once established by the salesman who is able to say, "I used to be in this line myself."

SOME QUESTIONS OF POLICY

The Green Salesman or the Old Hand?—One question of policy which must be settled before the sales manager ever considers advertising for men is whether he prefers men with experience in selling his product, men with no experience in selling

his product but with experience in selling other lines, or absolutely green material with no selling experience whatever.

The easiest way, and the way favored by many managers is to advertise for experienced men. This saves training and has the advantage of enabling the sales manager to know just whom he is hiring. The use of experienced men is particularly wise in cases where the concern is trying to open up territory in the face of keen competition where the product is little known, or for the firm just putting a product on the market. After it is established and the advertising has brought prestige, the younger men can hold the trade in line.

A difficulty in hiring men with experience is that they often have prejudices which must be overcome; they must unlearn many things before they can begin to learn to sell in the way their new manager wishes them to sell. If they have had too much experience, they are likely to prove changeable and lacking in the loyalty which is so great an asset to the house.

One of the reasons that many sales managers prefer green material is that, if any attempt is made to "manage" the sales force, the young fellow is generally more easily handled. He has often just come from school where he has grown accustomed to taking orders and learning from others. It is comparatively easy to train him in the way desired.

Some students of sales management believe that the hiring of green material has a harmful influence on the sales manager himself. The fact that his men are for the most part young and inexperienced causes them to look up to him as a model and they try to pattern after him. He, in turn, will probably be willing to let them maintain that attitude, as it places him on a pedestal and enables him to impose upon them his own ideas without opposition. This is likely to lull the sales manager into a drowse of false security, because it shuts out many new ideas which would be introduced by salesmen who had received other training. Care must be exercised to avoid getting into a rut and trying to make all the salesmen alike. Room must be left for the display of individual talents and initiative.

Another disadvantage of employing young fellows exclusively is that they are apt to be more easily discouraged by a run of poor business. While it is true they rebound quickly when busi-

ness picks up, they are likewise quickly depressed when far from the friendly guidance of the sales manager. Again, many buyers find it hard to regard the "kid" salesman with the respect to which he thinks he is entitled, and there are some lines where the buyer expects to learn much from the salesmen who call on him. A youngster must show at once that he knows his line and his prospect's problems or he may find his youth a decided handicap.

The "Star" or the "Plugger."—Another question of policy on which a definite stand must usually be made is that of "the star vs. the plugger." Do we want to build a force of a few stars and the rest mediocre men, or will we strive for an evenly balanced force of about equal ability?

A sales organization is something like a baseball team, but with one exception. In baseball the crowds pay to see the star perform. In selling there are no crowds. In baseball the gate receipts reflect the public's interest in the star. In selling the crowds do not assemble, and the team is not seen in action as a unit.

Indeed, the proportion of stars is so small that it would be impossible to build a large organization composed entirely of them. It is gradually coming to be the opinion of sales managers that it is the average salesman on whom they must depend for about all the business. Hence the task is really one of making good average salesmen out of otherwise mediocre material.

But why, someone asks, should we not have one or two stars on the force to set the pace for the rest of the men and show them what it is possible to do and how to do it? On the face of it this does look reasonable, but closer examination reveals its weaknesses. It is necessary to have two things in a sales force which are absent when it is composed of a few stars and a large number of average salesmen. These two things are harmony and rivalry. It is not difficult to attain them both, although perhaps they do appear a bit incompatible at first. Friendly rivalry is not at all an impossibility.

When a star is introduced into a force of otherwise fairly equal salesmen, several things are almost certain to happen. In the first place, the star is going to earn more money than any of the others. If they are selling on a straight commission

basis, this is fair enough, provided their territories are evenly divided. But if it is on a salary and commission basis, the difference in salary is apt to create dissatisfaction. Reports will exaggerate the amount the star is pulling down, no matter what method of remuneration is in force.

In the second place, the star will think himself entitled to certain privileges and prerogatives; he will be likely to disregard some of the minor rules and regulations. For example, he may think that his customers are entitled to the most prompt deliveries, the best credit terms, etc. He may feel that he is exempted from the rule which states that the men shall make a certain number of calls in a week or shall work so many hours a day. He may be lax in making his reports to the main office. Such tactics cannot fail to engender friction. The other men resent it bitterly and feel that they are not getting a square deal.

In the third place, the other men are likely to get discouraged and quit trying. Where, before the advent of the star, they were all hitting the ball for about the same average and all had a chance to make a showing, now they are outdistanced and hopelessly out of the running. And it is not very thrilling to put up a fight for second place under such circumstances. As a result this system robs the entire force of its teamwork and fight.

The star is sometimes a temperamental individual who is not at all amenable to discipline. He is possibly a poor coöperator; he does not easily subordinate his own personal aspirations to the success of the organization. He is likely to work spasmodically, a period of feverish activity being followed by a vacation or a period of poor selling. Sometimes he may indulge in questionable tactics to get orders, tactics which react harmfully on the house employing him.

It is equally important to avoid having any poor salesmen on the force, as it gives many a mediocre man a chance to feel that, "I beat so-and-so anyhow." If there are no poor business-getters, it will make the average men all hustle to be sure of beating anyone, and self-satisfaction will not be disastrously apparent.

Salesmen or Saleswomen?—We have been speaking thus far exclusively of sales*men*, but it should be understood that the word is used in its generic sense, for sales*women* are found in

many lines now, particularly since the war took so many young men from the sales forces.

Opinions differ on the desirability of employing traveling saleswomen. The opposition seems to center on a few objections, among which may be mentioned the following.

It is claimed by some managers that it is difficult to manage women, particularly by correspondence. They are apt to react from a period of enthusiasm to a fit of depression and find it difficult to maintain a steady gait. Also, they are apt to allow their personal likes and dislikes of buyers to affect their work. Furthermore, they are alleged to lack the philosophical, impersonal attitude so necessary to a salesman. Rebuffs discourage them and they take suggestions as deadly personal insults.

Many buyers do not like to buy from a woman as they are fearful that she will attempt to capitalize her sex and appeal to their chivalry instead of selling on the merit of her proposition. A buyer may feel restrained somewhat in the comments he wishes to make on the product. For these reasons some manufacturers hesitate about employing women on their sales force, for they feel it cheapens the product and lowers the dignity of a first class house.

On the other hand, we find such well-known concerns as the H. W. Gossard Company employing women. Mr. Gossard believes that it is not the character of his product (corsets) which makes it possible for women to sell them successfully, but that they could sell threshing machines just as well. The Spirella Company, manufacturers of corsets, have tried both men and women, but prefer the latter, largely on account of their more intimate and practical knowledge of the client's needs.

As traveling representatives for firms manufacturing various articles of clothing for women, it is not uncommon to find women. One successful traveling saleswoman says she thinks a woman can sell more of a purely personal article than a man can. She states that when she enters a town, she sizes up, more quickly than a mere man ever could, the clothes that the women of that town are wearing, so she knows just what to show. In the sale of various toilet preparations women have also proved successful.

Among the reasons for their success are that they can make

more calls in a day, owing to the fact that they do not get too familiar with the trade and so linger and waste time swapping stories. In suggesting ways of reselling goods to women the saleswoman may prove very helpful to the perplexed merchant. Again, many times a buyer will grant an interview to a woman promptly when he might refuse to see a man or at least postpone it.

The sources of supply of good saleswomen seem to be chiefly two in number. Widows of retail merchants often make good saleswomen, as they know something of salesmanship and of merchandising. The other main source is the ranks of the retail clerks. They are likely to know the product, retailing, and salesmanship.

METHODS OF SELECTION

Having discussed some of the means of getting in touch with prospective salesmen, we can now turn to the second aspect of our problem, the methods by which we can select from the available applicants those which would be best suited to the work.

Variety of Methods in Use.—The Department of Applied Psychology of the Carnegie Institute of Technology has conducted an extensive investigation into the problem of selection of salesmen under the direction of Dr. Walter Dill Scott. Regarding the methods in general use Dr. Scott makes these interesting observations:[12]

"In our general survey of the different methods or devices actually employed in vocational selection, we found very great diversities in practice. All the following have been or are being used by business men: Astrology, augury, chance as manifested in drawing of straws, casting of lots or flipping a coin, chirography, chiromancy, clairvoyance, character analysis, divination, fortune telling, graft, horoscope, intuition, magic, mind reading, necromancy, nepotism, omens, occultism, palmistry, phrenology, soothsaying, sorcery, sortilege, subconscious hunches, talisman, and telepathy. It may be difficult to prove the inadequacy of any of these systems, but there seems to be no evidence of their value.

"There is another group of factors which seem to possess great potential but little actual value. To this group belong inheritance or ancestry, and physiognomy. Historically speaking, inheritance has been the

[12] Bull. 227, U. S. Bureau of Labor Statistics, p. 114, October, 1917.

greatest factor in vocational selection. We all make some use of physiognomy even though we are unable to state the way we do it. All attempts to classify our knowledge of physiognomy or reduce it to a scientific basis have resulted in miserable failure when applied to vocational selection. The bureau has given consideration to these two factors, but so far has been unable to discover any practical method whereby the sales manager may make use of either inheritance or physiognomy in selecting applicants for selling positions.

"In our detailed survey of the thirty coöperating firms in the bureau, we found that, in selecting their salesmen, they all depend on one or more of these three factors; the previous experience of the applicant; human judgment concerning applicant; and special tests administered to the applicant."

The previous experience of the applicant is probably best estimated by means of the application blank and information furnished by his previous employers or acquaintances.

Application Blanks.—The application blank serves at least two purposes: it eliminates at once those who have something to conceal about their past record or those who are too indolent to fill it out completely, and it furnishes a fund of valuable information concerning those who do fill it out. It might be thought that nobody would balk at the trouble of filling out a questionnaire, but it is related of the sales manager for an instalment book house that he evolved a rather extensive application blank just for the purpose of weeding out applicants whose tenacity of purpose was below the requirements.

"In it," chronicles the scribe, "he covered to the minutest details the man's life, adventures and hopes. The questionnaire covered several pages. Did the sales manager care a rap about all these details? No indeed! But before his applicant was ushered into his presence he had to fill out a questionnaire. Very often he would look it over and quit then and there, with some reference to a 'nut sales manager' or some unguarded statement to the effect that he guessed he didn't want to work for a man who was a walking can opener. It was different, however, with the truly tenacious ones."

No attempt is here made to compile an ideal application blank, because each business has its own problems and wants to know certain things about the applicants which would be of little interest to some other sales manager, but it will prove helpful to glance over a few of the questions which appear frequently on such blanks. One point which should not be over-

looked is the necessity for getting a line on just what the man has been doing since he left school. There should be no gaps unaccounted for.

Of course the blank would provide for information regarding name, address, age, height, weight, and perhaps religion. Nationality should be known, as it might be a big asset or a tremendous handicap in certain territory. Then, too, each nationality is likely to possess certain characteristics, as, for example: the Irish are fluent talkers and make friends, the Scotch are persistent, the English never lose their poise and continue to believe that they are as good as any one, the Holland Dutch and Germans are pluggers.

Married? How long? "Newlyweds" are not at their best in territories where extended trips are necessary, as they are anxious to get home as often as possible and sometimes rush through the work in too great haste. At least the correspondence with the bride is apt to cut into the time for making out reports. *How many dependent on you? What relationship?* This gives a good idea of whether a man has a real incentive to work and also is a good guide as to his solidity. *Education?* If a man is required to work among college graduates most of the time, it is almost essential that he himself shall have a college education.

One of the most important of all questions is the one *"Why did you leave each of the last three (or five) positions?* These can be checked up with the previous employers and often reveal much of the applicant's character. Another question almost equally important is, *"Why do you wish to make the proposed connection?"* So many applicants have no very definite reason for wishing to come to that particular firm that it is refreshing to find one who knows exactly why he is seeking the job. The man who is trying to land a job merely because he thinks there is big money in it often proves unsatisfactory, where the man who seeks a position because he has studied the situation and believes that he would like to make it a life work makes a real success of it.

Some managers like to get a line on the thrift of the applicant by asking such questions as: *What percentage of your income have you saved since you began to work?* or *Check the forms of investments you now have—real estate, real estate mortgage, sav-*

ings bank, life insurance, bonds, preferred stock, common stock. If the position is one of any responsibility, it may be wise to ask the applicant if he can furnish a surety company's bond. The chances are good that the man who cannot is trying to hide something. The early habits of the applicant are inquired into by some managers, who ask whether he worked as a boy, worked his way through college, etc. If he is a college man, it helps to know whether he took part in any of the activities of the school, as athletics, campus publications, class offices, etc. Some managers judge a college man about as much on these counts as on his scholastic record, although they usually like to know something of the latter.

Some of the questions asked may make it necessary for the man to give a sort of an estimate of himself and must be discounted a trifle, but they are of some value. Among such the following are typical: *What periodicals do you read? What are your favorite forms of recreation? Your three favorite books? What have you studied since leaving school, and how much?* It is true that a man may incline to exaggerate a trifle on these answers, but they cannot be absolutely valueless.

A question which may uncover the ingenuity of the applicant is *"What are the three best sales you ever made?"* It also gives a line on what he considers good salesmanship. Other more or less miscellaneous questions cover the personal habits of the applicant, the territory preferred, when he could begin work, salary expected, health, and club or society affiliations. One sales manager says he counts the facts revealed by the application blank as being worth about four times the appearance of the candidate. Many others rely strongly upon it.

One type of question, however, is of little value. To ask the applicant to tell what he believes are his weak points, or strong points, helps little. "Self-grading" questions of this sort should be avoided for the most part. Even though a man were strictly honest it is impossible for him to form a correct estimate of himself.

The following blank, used by several hundred concerns, was devised by the Dartnell Corporation of Chicago and is an attempt to combine the best features of some twenty blanks used by various firms.

Application for Position as Salesman

YOUR FIRM NAME HERE

Date_____ 192____

Name in full_____

Permanent address_____ Telephone_____

City_____ State_____

Date of birth_____ Place of birth_____ Nationality_____

What are your ideas regarding compensation_____

PHYSICAL RECORD	GENERAL INFORMATION
Age_____	Single, married or widower_____
Height_____	How long married_____
Weight_____	Children_____ Other dependents_____
Color of skin_____	Do you own real estate_____
Color of eyes_____	Value $_____ Incumbrance $_____
Color of hair_____	Do you own stocks or bonds_____
Any defect in:	Value $_____ Incumbrance $_____
Speech_____	Have you any loans or debts past due $___
Hearing_____	Particulars_____
Sight_____	Have you any other income besides what you will receive from us_____
Feet_____	Member of what lodges (give numbers)
Other_____	Are you in good standing_____
	What religious denomination_____
Taken recent physical examination_____	To what military, religious, athletic or social organizations do you belong_____
For what purpose_____	What insurance do you carry—Life $_____
Did you pass_____	Health $_____ Accident $_____
What serious illness have you had within last five years	Have you ever been employed by us before _____ In what capacity_____
	Name relatives in our employ, if any_____
What is present condition of your health_____	Name personal acquaintances in our employ
	Have you ever been bonded, and for what amount_____
Are you willing to take physical examination_____	Has bond ever been refused_____
	If so, why_____
	Can you give a surety bond (at our expense)

Dartnell Standard Form—SA2—All Rights Reserved—1921

Particulars of Previous Employment

Are you at present employed_____

If not, how long since last steady work_____

Name of present or last employer_____

Address_____

City_____ State_____

What is your present or last work_____

Salary or commission_____

What territory do you cover_____

How long have you covered it_____

What percentage of your time is spent in working towns of 5,000 or less_____

Cities between 5,000 and 50,000_____

Cities over 50,000_____

What do you sell_____ Sales for past year_____

What classes of buyers do you call upon_____

How many accounts are you working_____

How often do you see them_____

How many months out of the year have you been accustomed to traveling

Could you retain present position indefinitely_____

POSITIONS HELD OTHER THAN YOUR PRESENT ONE

From What Date	To What Date	Name of Employer	Address	Nature of your work

Education and Selling Experience

Were you raised in city, town or county_____

Did you attend high school_____Where_____How long_____

At what age did you commence work_____

How many years' selling experience_____

What study courses have you completed since leaving school_____

_____

Have you taken a special sales training course with any previous employer_____Particulars_____

What languages, other than English, do you speak_____

What magazines or trade publications do you subscribe to_____

What territory are you most familiar with_____

What other territories have you covered_____

_____

_____

Will you accept any territory we have vacant_____

Are you willing to travel_____

State territory preference, if any_____Second choice_____

What lines, other than your present one, have you handled_____

_____

Any experience in our line_____Particulars_____

_____

What classes of manufacturers have you sold_____

What classes of jobbers have you sold_____

What classes of retailers have you sold_____

With what class of trade are you best acquainted_____

CHARACTER REFERENCES — Give five. Do not refer to mere acquaintances, previous employers or relatives. Refer to people who know you well, either personally or in business.

NAME	ADDRESS
1	
2	
3	
4	
5	

In the space below applicant will write a letter, briefly setting forth the reasons why he desires a connection with this house; why he thinks he would make a successful representative, and why he wishes to change his present position:

It is understood and agreed that any agreement entered into between this Company and the applicant is predicated upon the truthfulness of the statements herein contained.

Signature of applicant

Note: If this application is made by mail applicant should attach a recent photograph so marked that it can be identified.

APPLICANT IS NOT TO USE SPACE BELOW THIS LINE

Bonding application filed———————Report———————

How to Interpret the Application Blank.—After a firm has adopted an application blank, plans should at once be made for interpreting the facts shown. For example, shall it be considered an advantage or a disadvantage to the applicant if he is married? At what age should he be given the most favorable consideration? Would a man with a college education be of greater or less value than one who had merely completed high school?

This suggests that careful records should be kept of each salesman employed, and his performance compared with the facts indicated on his application blank. The facts should be tabulated in various combinations and conclusions drawn as to the weight which should be given each answer. For instance, one life insurance company rates each point in this fashion:[18]

Age		*Education*	
18-20	−2	8 years	1
21-22	−1	10 years	2
23-24	0	12 years	3
25-27	1	16 years	2
28-29	2		
30-40	3		
41-50	1		
51-60	0		
over 60	−1		

With a scale like the foregoing for each fact stated on the application blank, it is easy to understand how an applicant could be scored accurately, as he would receive either a plus or minus score on practically every answer. The important thing is to calculate an accurate basis for these plus and minus scores to be given each reply, which can be done only through a careful, comparative analysis of the records made by the salesmen already in the employ of the firm.

References.—Most employers require references of some sort from applicants for positions on the sales force. It is reasonable to assume that a man will continue to act a good deal as he has acted in the past, so references are used to check up.

[18] From a privately published pamphlet: "A Study of Five Hundred Personal History Blanks," by Dorothy B. Goldsmith, The Guardian Life Insurance Company of America. Quoted in The Service Bulletin of the Bureau of Personnel Research, Carnegie Institute of Technology, vol. 4, No. 5, p. 13.

The letters which the applicant brings with him are of little value, especially the open letters addressed "To whom it may concern." A much better way is to have the applicant give you the names of all his previous employers and then write to such of them as you wish, asking them specific questions about the man. The average employer is glad to coöperate in this exchange of information. More satisfactory results will be attained if you send a printed form, with blank spaces for check marks or brief supplementary statements of opinion. For example, a list of the desirable qualities might be given, with four columns for check marks, one column headed "excellent," the second "good," the third "fair," and the fourth "poor." A check mark after the word "Persistence" in column 1 would mean that the applicant was, in the opinion of the previous employer, entitled to high rank as regards persistence. Then it is a good idea to ask specific questions, followed by two columns, one headed "yes" and the other headed "no," so that the replies to the questions can be made as easy as possible.

Such questions may be asked, as, "Why did applicant leave your employ?", "Were his expense accounts too large?", "Was he a steady worker?", "Was his proportion of cancellations high or low?", "Was he popular with the trade?", etc. By asking questions of this kind much definite information is elicited which would never be offered in a letter replying to a general inquiry.

It is not safe to rely on having the applicant introduced by some mutual acquaintance, although some managers ask no more. Too much reliance cannot safely be placed on references from unknown persons or from persons of the same race or religion as the applicant. One sales manager says:

"In hiring over 2,000 salesmen I have found that references from previous employers are invariably biased by any racial or religious ties that may exist between the two, and so quite often I have one of my men call on the old employer before I hire the man and find out his nationality, and if he can, his religion."

Similar testimony is offered by A. Zimmerman of the Stanley Works, New Britain, Conn., who says:

"My experience has proven the letter of recommendation to be of such little value that the filing of them with application is discouraged; in fact,

in a general letter in reply to inquiries relative to our requirements we state, 'letters of recommendation are not wanted, but we require the names of six persons to whom you are personally known.'"

On one point regarding a man's business history there seems to be a difference of opinion among executives. Some maintain that they hesitate to employ a man who has made frequent changes of employment or position between 25 and 35 years of age. One employer states:[14]

"Nine such men out of ten are inefficient, hard to handle, self-opinionated without reasonable backing, and sometimes dishonest. So rarely is a winner found among this class that it is time wasted to give an interview."

The other side of the controversy is presented thus:

"As a matter of fact, the man best fitted for a selling position, provided he has been honest in all his connections, is the man with the varied experience."[15]

The Personal Interview.—The third method of forming a judgment regarding an applicant is the interview. Let us assume that the applicant is being interviewed in person. And it may be mentioned in passing that it is a good plan to interview every applicant for a position, whether there is a vacancy or not, as he may prove to be the very man wanted later.

Some sales managers rely strongly on the physical characteristics of the applicant to reveal the mental traits for which they are seeking. The shape of the head, the set of the jaw, the length of the nose, or the color of the eyes are supposed to indicate certain things, so that an expert in "character analysis" could tell very soon after looking at a person whether he would be a successful salesman for the concern. Mr. J. George Frederick, who has written much on sales management, says, "There are simple-minded types of people who imagine that externals indicate a salesman, but no greater mistake can be made." Psychologists for the most part insist that there is no known connection between a man's physical and his mental make-up.

[14] Louis N. Denniston, Agency Instructor of Travelers' Insurance Company in Convention of National Association of Corporation Schools.

[15] M. J. Halley, of the Trow Press, New York.

In spite of this opposition to the theory, it has many adherents.

Whether or not we believe in character analysis of this sort, the appearance of a man does tell us something of him which we are glad to learn. We can discover whether he is fat or lean, for instance. The day of the fat, jovial salesman seems to be passing, and there are some managers who prefer men of the lean, wiry type, on the theory that they are able to cover more ground and will attend more strictly to business. However, the man with a strong constitution and abounding health, the type who is likely to have a powerful personality, is inclined to take on flesh. A good digestion goes with good nature usually, and salesmen with dyspepsia do not often get on well.

We can also learn whether a man is handsome or homely. Here again we find a divergence of opinion among managers. Some prefer men who can present a pleasing appearance, while others have gone on record as favoring the man who is so homely that he knows he will have to work hard to make up for it. Much depends on the product to be sold, of course. We can tell a good deal about his grooming, even though he may have obtained a shave, manicure and shine just before applying for the position. Such things have a habit of appearing unnatural when they are not customary. A man's grammar, his voice, his social accomplishments and graces can be easily discovered in a short interview, especially if he be invited out to lunch.

In a personal interview we can learn whether a man has a quick temper, for if he has we do not want him unless he can control it. We can learn whether he insists upon arguing. The experienced sales manager knows that argument is no way to make sales, and he can test the applicant as to his ability and diplomacy by trying to draw him into a hot argument. An applicant's resourcefulness can also be tested. Some sales managers suddenly confront a man with a specific problem in salesmanship and ask the applicant to tell at once how he would have met the trying situation.

Of course, the applicant is practically selling his own services when he meets the sales manager, so it may be easier to discover the desired characteristics than if he were applying for a position as accountant or truck driver. Nevertheless, it is not always true that the man who sells his own services the best

proves the best salesman. This is particularly true in staple selling, where the ability to win and hold friends is of more importance than the ability to make an impression on the first interview. Besides, when a man is selling his own services, he is self-conscious. When he is selling a product he may easily forget himself, his whole interest and thought being wrapped up in his proposition. Many a good salesman gets embarrassed when he tries to tell about himself or feels that the "prospect" is criticizing him. Out on the road the shy man may make fast friends, for buyers do not feel it necessary to don their armor to repel his onslaughts.

It is also possible to get a line on an applicant's tenacity or persistence even in the first interview by picturing to him the gloomiest aspects of the position he is seeking. If he still is undaunted and insists that he wants the place, it would appear that he is endowed with the power to stick.

The Elaboration of the Interview.—Hugh Chalmers said,

"No man should be employed on the first interview. I believe that it is necessary to see a man at least two or three times before you can size him up properly. Then again, I believe it is a good idea to have more than one man see a man before he is employed."

Both of these statements are prompted by the same thought—that it is wise to look a man over pretty carefully and give him plenty of opportunities to make some fatal slip which he might avoid for a short time. The elaboration of the interview by having the applicant see more than one person is common now. It may be quite informal, the different men meeting later to talk the matter over, or it may be made very formal. The method evolved by the Bureau of Salesmanship, connected with Carnegie Institute of Technology in Pittsburgh, may be given as a sample of these more formal interviews.[16]

"Suppose you are a sales executive. A part of your job—and a big part of it—is the hiring of salesmen. To-day you need, say, four men. You have a dozen applicants available for those four jobs. Before you interview the first of the dozen, you make up a scale by which you are to judge them all. As the material that goes into the make-up of your scale, you use the traits and characteristics of men you know—your own salesmen.

[16] L. H. ALLEN, *Business*, January, 1921.

"You lay out your standard, your scale, in five major divisions, thus: 1—Appearance and manner; 2—Convincingness; 3—Industry; 4—Character; 5—Value to the firm. The fifth division you subdivide three times, thus: 1—Personal history; 2—Reports; 3—All things considered.

"You set these divisions—these qualities—down on a sheet of paper and under each division you make spaces for the names of five men—five men in your own present sales organization whom you know very well. Considering first the division of appearance—the physique, bearing, facial expression, clothing, manner—of all your salesmen, you pick the one who, in the particular respect of appearance and manner, ranks the highest. You write his name on the top line under 'Appearance' and you give him a value—a 'weight'—of 10. Next—because it is easier to select the extremes—you pick the man who ranks lowest in appearance and manner and you write his name on the bottom line and give him a value of 2. Halfway between the highest and the lowest you select the middle man, and write his name and value him at 6, and then you fill out the 'appearance' scale with the second and the fourth men. Your scale thus far will look something like this:

APPEARANCE AND MANNER

Jones	10
Smith	8
Wilson	6
Thompson	4
Wallace	2

"Then you pass on to Division 2—Convincingness. Under this heading you disregard everything but the tact, clearness and force with which each of your salesmen presents his sales arguments. Which of them can put up the best talk? Brown, you think. You write Brown's name on the top line under 'Convincingness' and give him a value of 10. Then you select the four others, as you did under 'Appearance and Manner' and list each in his proper rank and give him the corresponding value. And so you go through the divisions, setting up your scale of men as you go. In each division you have selected five men with whom to compare the applicant—and you call him in.

"With your scale before you and a blank handy on which to keep the applicant's score, you seat the man at your desk and talk with him—and look him over. In appearance and manner, does he rank with Jones, whom you gave value of 10 as to looks? Not quite. He's on a par with Smith, who is second in the scale with a value of 8. Very well, under 'Appearance and Manner' score 8 for the applicant. Now, how well does he talk? Is he as convincing as Brown, whom you have valued at 10, or Green, whom you have valued at 8 under 'Convincingness'? No, he's younger than either of them—seems a bit immature and self-conscious—about like White, whose value is 6. Under 'Convincingness' score 6 for the applicant.

"Thus you apply each division of your scale to each man seeking a job. When you have finished with each one you have given him a value under each of the divisions and the total of those divisional values has given you his total score—his 'weight.'

"You, alone, might do all the interviewing and all the weighing of applicants. In practice, however, it has been found best to bring to bear the independent appraisals of two or more interviewers. Accordingly, when you have finished with each applicant you turn him over, say, to the general manager. The general manager has on his desk an interview scale similar to yours—similar except that the general manager has made up the divisional selections of men for himself. The names on his scale may, or may not coincide with yours. In any event, they represent his opinions as to how the men rank under the five divisions. Without knowing how you sized him up, the general manager interviews each applicant and appraises him. Then a third interviewer, and possibly a fourth and a fifth, pass independent judgment as did you and the general manager.

"With the interviews complete, the several verdicts of the interviewers are assembled and the 'weights' are averaged and the averages recorded on master scores for the applicants. The rest, of course, is obvious; out of the dozen applicants you simply pick the four men whose scores are highest."

Another sales manager has evolved a list of plus and minus qualities as follows:

Plus	Minus
agreeable	bad tempered
dignified	grouchy
loyal	intemperate
willing	variable
trustworthy	easily discouraged
well-poised	jealous
fine appearance	sensitive
broad-visioned	treacherous
energetic	lacking in spirit
strong personality	egotistic
persistent	lazy
regardful of discipline	unambitious

Each man is scored, the total of the minus column being subtracted from the total of the plus column. The remainder indicates the man's ability or value to the firm as evidenced by the test. This test was worked out by Mr. R. E. Tucker, who states[17] that when the men on a sales force were scored in this way the results tallied with actual sales in every case but one.

[17] *System*, October, 1918.

Although it is offered here as a method of judging applicants for positions, it may be seen that it has other uses. Such a test could profitably be applied to any sales force, as it would bring out the weak spots in each man and give the sales manager something definite on which to work.

Another thing which will be revealed in the personal interview is the genuineness of the applicant's desire to come with the company. The man who is manifestly eager to make connections with a particular concern will probably prove to be a most enthusiastic and loyal employee. A writer on the subject tells an incident which illustrates this point.

"While I was waiting one day for a friend, a man came out of his office. 'I have just hired that fellow,' said my friend, when I entered his room. 'I know very little about him except that I never met any one who wanted so hard to be with us. He was so choked up with desire that he could hardly form an intelligent sentence in talking with me.'"

A rule laid down by Hugh Chalmers is interesting. He states that as a rule he thinks "that no man should be employed who cannot as easily be fired as he was hired. This refers particularly to the employment of your relatives, your wife's relatives, or the sons of your friends."

One man who employs scores of men a year emphasizes some interesting aspects of interviewing:

"The first thing I look for in a man is naturalness of manner, frankness of speech. If he has neither, I must by analysis find out why. . . . In sizing up a man you must do what you can to place the candidate at ease—therefore, be at ease yourself. Many men in high positions are poor judges of men because they cannot assume towards the applicant an easy air, or the applicant, because of the environment of the big man, is ill at ease. I prefer to see the man on some neutral ground if possible—at least for the first interview. In a few moments I turn the conversation so as to find out what the man likes best. Let him tell the story of his life, particularly of his boyhood. I tell some of my experiences and it is not long before I have my man at ease (provided his record is clear as a young man) and we are conversing as boy to boy, guards down, and I look for fair play."

In conducting the interview it is well to avoid questions which are too direct or too bluntly put, especially at the outset. The place for such questions is in the application blank. As the interview proceeds, if it is apparent that the applicant is not

fitted for the place, the employer should try to set forth so clearly the qualifications of the position that the applicant may draw his own conclusions as to his unfitness.

If the applicant is not hired, it should be the aim of the interviewer to dismiss him without having lost any of his good-will. The rejected applicant who leaves feeling that he received a square deal is an asset to the firm instead of a liability. In case it is evident that the applicant is fitted to sell some other line, it may be worth while to call the attention of some other employer to him, as it helps greatly to have salesmen in other lines friendly toward your house. And if the man is employed, he should not be oversold on his new job, or he will suffer a reaction of disappointment which will seriously impair his selling efficiency.

Tests.—The fourth and last method of selecting salesmen is by means of various tests. It seems likely that in the future this method will be much more widely used than it is at present. The tests are of two kinds, physical and mental.

Physical Tests.—These are more in the form of an examination than a test, but the main purpose is to discover whether the applicant is physically fitted for the work. While there have been many good salesmen with flat feet, it would be wise to eliminate these if there were much walking involved. Hernia, poor hearing, weak heart, tubercular symptoms, etc., can be detected and, if too pronounced, may be sufficient cause for rejecting the applicant. After all, these physical tests are a great kindness to the applicant for a position if they are administered in the proper spirit and may serve as a guide in selecting and carrying on future work.

Psychological Tests.—There is still much difference of opinion regarding the value of psychological tests for determining the ability of salesmen. One sales manager says, "As for the written tests compiled by the psychological sharks, they are, in my opinion, useless. They serve to indicate the speed and accuracy of a man's mental processes. If these highbrows had spent a few years at my desk, they'd know that these qualities have little bearing upon salesmanship. I have bookkeepers right here in the office who can register 100 per cent on tests of that nature and couldn't sell whiskey in the state of Maine.

And I have star salesmen who present a pitiful showing when confronted with them."

The other side of the question is ably represented by Dr. Walter Dill Scott, now President of Northwestern University. Dr. Scott was in charge of the psychological tests given in the army during the world war, has used them widely in selecting salesmen, and thinks highly of them. He used a general intelligence psychological test on the sales force of a large tobacco house and the results of the test corresponded very closely to the ranking of the men in point of sales, indicating that there might be a close connection between general intelligence and ability to sell goods.

There are many varieties of mental tests, and since the publicity given them during the days of recruiting our army and navy they are virtually public property. There are a number of good books which give complete instructions as to methods of administering such tests.

In order to determine whether a particular test is really doing what it is supposed to do—sift out those who will make the best salesmen—it is wise to subject it to several checks. By thus checking up on various tests, the sales manager can soon learn which test is the most suitable for his purposes.

In general there are two kinds of check. The first is by allowing a number of salesmen who have made good to take the test and see whether they rank high. If the test is administered and taken in good faith, the ranking in the test ought to be somewhere near their ranking as salesmen. If it is discovered that the poorest salesmen rank high in the test, it is obvious that the test is inadequate. This check may be varied in different ways, but the principle is the same.

The other check is to keep the records of the grades made on the tests and later see if the men hired rank the same as salesmen as they did on the tests. In other words this is merely comparing the showings made on the mental tests with the showings actually made as salesmen, the same as the first mentioned check, only the salesman takes the mental test before he takes the selling test. The principle is practically identical.

Any test which will check with actual performance is a good test to retain in use.

CHAPTER III

THE SALESMAN'S TRAINING

Are Salesmen Born or Made?—The idea that salesmen, like great actors or poets, are "born and not made" is true to a certain extent. Much has been written and said on both sides of this subject, which has at times assumed almost the aspect of a controversy, the net result of which seems to be that sales managers are recognizing that training may improve the efficiency of almost any salesman. Looking back over the history of this controversy it seems strange that any one should ever have denied it, yet they did—and vigorously. The ability to sell was regarded as a native gift, an indefinable something which some men possessed and other men did not. That was all there was to it.

Slowly the conviction dawned that men could be trained to sell much as they could be trained to do other things, and then the pendulum swung in the other direction. It was loudly proclaimed that any man could sell, if he were properly trained. "If a salesman would accept instruction and constant rehearsal with the same good grace that the traditions of the stage require of the actor, it would be comparatively easy to develop any intelligent person into a good salesman."[1] The pendulum swung far in this direction and not until recently has it begun to return to a middle position, which seems to be the logical one.

We now recognize that a human being is a product of both heredity and environment, and that the discussion as to which was the more important was as fruitless as it was violent. No amount of training will make a Kentucky thoroughbred able to pull as heavy loads as his Clydesdale cousin; nor can years of work on the track teach the latter to run a mile in 1:40. To be sure, these are physical characteristics, but mental characteristics are likely to be about as firmly rooted and not susceptible to change. In consequence the scientific sales manager selects

[1] WILLIAM MAXWELL, *Printers' Ink Monthly*, July, 1921.

his men with care and then proceeds to train them after his own ideas.

Reasons for Recent Emphasis on Training.—The need for this training became apparent some thirty or thirty-five years ago as selling, particularly specialty selling, continued to increase in complexity. Some of the specific factors in the situation which emphasized the need for training were the following:

1. The increase in number of specialties sold. The sale of a specialty is not so likely to depend on friendship, as is the sale of a staple. Personality still has its place, but time is short and the salesman must make the most of his limited opportunity.

2. The increased size of sales forces. Personal supervision of salesmen at a distance from headquarters became impossible, so it was thought wise to supervise them before they went out, as well as after they reached their territory.

3. More active competition in almost every field. As in agriculture, medicine, law, and other phases of business, the untrained man must succumb in competition with his more highly trained competitor.

4. The increased complexity of business, as it has developed into huge units. The salesman must understand so much more than he once had to, because business as a whole is more varied and complex.

5. The increased emphasis being laid on good-will by manufacturers. As the size of the business unit increased, it became necessary to plan for repeat orders to a greater extent, and the untrained salesman is likely to miss many opportunities for cultivating good-will.

6. The increased use of cost accounting methods which revealed how very costly had been the rapid turnover in the sales force. Training was resorted to as one means for reducing this high labor turnover.

Benefits and Drawbacks.—The benefits derived from training salesmen may be briefly summarized under a few heads:

1. Increased sales is the most obvious benefit. Many specialty manufacturers could not sell their product at all if they did not teach their men how to present the proposition. Even in staple selling training helps.

2. Decreased selling costs per unit of sale.

3. The goods "stay sold" better when they are intelligently sold in the first place. The Yawman & Erbe course of instruction is so designed as to cut down the amount of goods returned to the factory by users who have found them unsuitable to their needs.

4. Future good-will of the firm is protected and enhanced. A tactless salesman may do untold damage to his employer through alienating the good-will of the people to whom he tries to sell.

5. Higher grade men are attracted to the firm offering a good training course.

6. Labor turnover is decreased, which has numerous beneficial results, as every employer knows from experience. The National Cash Register Company, since it inaugurated its present system of training salesmen, finds that 78 per cent of them make good, which is several times the average for most concerns.

The foregoing is not intended as a complete list of the advantages of training methods; it merely explains why they have been so widely introduced. However, it must not be understood that the idea has been unanimously and enthusiastically adopted. The main reasons why many manufacturers have held back from inaugurating training courses are:

1. The difficulty of developing a really satisfactory course of study. It is not easy to find a man to head or plan a training course, and not always easy to get the men to do the teaching.

2. Natural inertia would account for the lack of thousands. New ideas must be absorbed slowly by the average mind.

3. Many sales managers have felt that there was little use in establishing such a school until the plan was more general, for they feared that the men they had trained would soon quit them and throw to their competitors all the benefits of the training they had received.

Beginnings of Training Movement.—As with most great movements, the training school started modestly. Credit for pioneering in this field is generally given to the late President Patterson of the National Cash Register Company, and date of the beginning usually stated as about 1892, at which time President Patterson thought he detected signs of an approaching panic

and began to make preparations for meeting it. At the convention of salesmen that year he interviewed many of the firm's salesmen, having the men canvass him as though he were a prospect. He was astonished at the wide variation in methods and appalled at the poor quality of salesmanship displayed.

That year President Patterson and his sales manager went on the road, visiting the firm's agencies in many cities. At each place they held miniature conventions, trying to help the men to become better salesmen, for the need was evidently great. The old salesmen rebelled at being forced to undergo instruction from the "primer" which had been prepared, but the new men eagerly embraced the opportunity and improved the character of their work to such an extent that the older men were forced to fall in line or be left behind in the race for sales.

At the Chicago World's Fair in 1893 Mr. Patterson continued his pioneering work by starting a little evening sales class for the demonstrators of his machines. The men were compelled to learn the primer that had been prepared. This improved their demonstrations greatly and sales increased noticeably.

The next step was to start a school at the Dayton factory. The first course covered six weeks and was attended by a class of fourteen, which indicated that the sales force was not thoroughly sold on the idea. The graduates of this first course were sent out to hold sales schools in various cities. The company had great trouble in persuading the men to master the textbook, but finally the threat of instant dismissal if the order were not heeded brought the desired results.

A few years later the course was broadened greatly, much new material being added, so that it was very comprehensive. President Patterson said regarding the reception of the idea, "Nothing we have ever started in connection with our organization was subjected to so much ridicule as the starting of a school to teach our men."

Different Methods of Training.—The salesman may receive training from headquarters in any of three ways: (1) through a resident sales school at the factory or branch office, (2) by field or road training, or (3) through training by correspondence.

It is not necessary that a concern confine itself exclusively to any one of these methods. Indeed, it is usually desirable to combine them in some manner. For example, the National Cash Register Company uses all three methods in the training of its salesmen, while many concerns use two of the three methods.

Requirements for Admission.—One of the questions of policy which must be answered at the outset has to do with admission requirements. Who shall be allowed to take the course? Obviously it is an expensive proposition to conduct a sales school, and if some of the students are not worth working with, there is much waste. Also, as has been mentioned, most concerns feel that they do not care to train men who will leave almost immediately and start selling for someone else, perhaps a competitor.

This difficulty is avoided in several ways: 1. By charging a small tuition fee or by asking the student to pay a certain amount for books or supplies. This serves to bar the man who is seeking merely a free course in salesmanship, and it also makes the student feel that he is getting something valuable, as he is compelled to pay for it. Few of us value highly that which costs nothing.

2. The course may be so highly specialized that the student learns little which would be of value to him in any other employment. It is well known today that, while a man does learn certain general principles in such courses, the application of them is so specialized that the knowledge obtained would help him very little in selling any other article.

3. Some firms will not admit to their training classes students who have not already shown their willingness to work and manifested some promise of selling ability. Young fellows thus are expected to try out as junior salesmen for a time, and only if they make good, are they permitted to take the regular training course.

Some firms insist on certain educational attainments, as a high school or college diploma. Others have psychological tests as entrance examinations, but these are rare. In general, the requirements for admission to the training school are the same as for employment on the sales force.

In any event, the men to be trained are often selected some

time in advance and their preliminary training begun by mail. This preliminary training is partly for the purpose of arousing the man's interest and enthusiasm for the work to follow. He may be sent sections of the sales manual, a few pages at a time; he may be sent parts of his equipment, so that he can be getting familiar with it; he will receive letters from the sales manager and perhaps from the other officers of the firm. The result is that when the training class opens he is partly prepared and entirely enthusiastic. If the salesman is required to learn a sales talk verbatim, he can be learning it in this period of preliminary training as well as later.

I. TRAINING AT FACTORY OR BRANCH OFFICE

This division of the work naturally falls into two phases; the methods of instruction used, and the subject matter studied.

Examples of Methods.—The methods used depend much upon the character of the product to be sold. If it is insurance, the course is much like a college course, consisting mostly of reading, discussions, lectures, and practice. On the other hand, if the product is a tangible one which has to be manufactured or assembled, the course must include some instruction which is designed to familiarize the salesman with the product. In this event, it is likely that his time in the training period will be divided between shop or laboratory and office or class room.

The more complicated the product or varied the line, the longer will be the term spent in the factory. One large concern making a variety of products used in engineering construction work requires prospective salesmen to spend two years in the shops, even though the men are graduates of a four-year university engineering course. In other concerns the period varies from a few weeks to a year, and the candidate for a sales job is required to don overalls and take his place alongside the regular workmen. This part of the training course serves a double purpose inasmuch as it familiarizes him with the product in all its details and also eliminates all those who are not tenacious enough to stick through months of blistered hands and aching backs.

One large St. Louis firm keeps its prospective salesmen in the

factory for six months, on the theory that those who fall by the wayside would not have the persistence and stamina to make good salesmen. The Brunswick-Balke-Collender Company states frankly, "Where we think it for any reason necessary as a means of bringing out certain qualities or determining if we are wasting time with the wrong kind of material, the course is made a little more strenuous by way of the shipping and packing departments, which means overalls and roughing it with packing boxes and shipping trucks. If a man goes through this course and sticks to the finish, we know he is in earnest and will make good at the end." [2]

An interesting variation of this factory training is that given by the Mid-West Box Company. Their men must be sales engineers, devising new containers for special needs of their customers, so the training course includes four months in the laboratory, four months in the drafting department, and four months in the office, working on estimates and correspondence. This office training links up the business end with the mechanical as nothing else could.

If the product is one which has to be either demonstrated or kept in repair, this factory training is indispensable. The salesman for a computing scale manufacturing company can take apart and put in working order any scale which is not conducting itself properly, mechanically speaking. The National Cash Register salesman knows how each model of his own machine is made and he is also familiar with any competing machines, of which there were formerly quite a number.

This business of working around in the various departments and coming into intimate contact with each of them will teach the salesman, as nothing else will, the reasons for the rules he is supposed to obey when he gets out on the road. When he is actually in a position to observe the delay, confusion and cost caused by the transgression of one of these rules or the neglect of instructions, he is not likely to forget it. The policy of the house is thoroughly instilled into him during his sojourn there, and he goes out feeling that his interests and those of his employer are identical. "The firm" is something tangible of which he is

[2] Letter to author.

still a part, while "the old man" is a friend and not a distant potentate to be feared and disliked. Likewise, through his stay at headquarters he obtains a conception of the whole dealer situation, assuming that the product is marketed through dealers. He learns its possibilities and difficulties, not alone as applied to one small territory but as applied to the entire country. After this experience, he knows that his troubles out in Oklahoma are being duplicated by the man traveling in Idaho or Virginia, and he is less inclined to consider himself the victim of peculiar and unrelenting circumstances.

While the salesman is learning the fundamentals of production, his progress is usually helped by literature of various kinds explaining the processes of manufacture in terms of their history and development, the reasons for them, the sources of the raw materials, etc. This makes the drudgery more bearable.

The Yawman and Erbe Manufacturing Company has had a training school in operation for about fifteen years. After experimenting with various length courses, they settled on a six-weeks' course as the best for their purposes. The first part is devoted to a study of the product, while the second part takes up the study of system. This period of study is interspersed with actual work in the factory for a more detailed knowledge of factory methods. The pedagogical methods employed in this school are interesting because they follow the modern idea of university education so closely.[3]

"First the salesman is told to imagine he is the customer. The manufacturing business is considered first. 'Suppose you wanted to go into business,' I tell the new men. 'What is the first thing you would have to do after your company was organized—that is, which department in a manufacturing business would have to be systematized first?'

"They are allowed to struggle with this question by themselves. It gives them a new slant on the whole proposition. Nearly always they arrive somewhere near the correct answer without help. I follow this method throughout the entire course. Sometimes it takes them a half hour to discover why the purchasing department must be properly organized first, in order that raw materials may be purchased, stock rooms equipped, cost systems worked out and sales and office records installed. Then I show them a model purchasing department in full operation, with

[3] ROLAND COLE, *Printers' Ink*, p. 120, Feb. 5, 1920.

systems for issuing requisitions, indexing catalogues, recording orders, filing correspondence, following up promises and carding prices.

"The new salesman gains a comprehension in this way of the system requirements of a purchasing department which he never forgets. It grounds him in the fundamental principles of the purchasing function of every business, large and small. It shows him how purchasing is related to all the other departments and how other systems grow out of it.

"Imagine, if you can, how many different kinds of business systems there are. It would be impossible for an ordinary mortal to remember them. But when these are reduced to eight standard or fundamental systems, the work is easy. These eight are (1) purchasing, (2) stock, (3) cost, (4) orders and correspondence, (5) ledger and sales, (6) credit and shipping, (7) real estate and insurance, and (8) professional."

After the men have studied the purchasing department, they are asked "What next?" Mr. Butler urges them to find the correct answer themselves, and they generally do. The materials purchased by the purchasing department must be stored and listed. So stock keeping is taken up, receiving goods, filling requisitions, the perpetual inventory and the other details.

A model stock room, with all its records, is shown them. Under-lying principles more than the application of the system to particular conditions are emphasized. Stock record keeping, like the rest of the eight standard systems, runs common to thousands of businesses. A mastery of the principles of a system qualifies the new man to understand the stock keeping needs of a factory, a railroad, a hospital or a zoo.

An interesting pedagogical point is brought out by one of the instructors in the successful Sherwin-Williams' school, Mr. A. E. Kydd, who says:[4]

"The men are not allowed to see the manufacturing processes until they have first been told about them in the classroom. This saves time. After a man has been made to wrestle with a subject mentally the observation of the process in the factory brings back most of what he has been told in the classroom and fixes it in his mind."

New salesmen in this course are not talked to by representatives from the factory. It is better to have manufacturing details presented to them with the sales significance head foremost, and this, Mr. Kydd believes, can best be done by representatives

[4] *Printers' Ink*, p. 25, Jan. 22, 1920.

of the selling force. After the two weeks' course is finished the man is sent out on the road for two weeks alone. Before he starts he is given a notebook and told how to use it. When he returns to headquarters his real education begins. Two weeks' trial by fire has taught him that he needs everything he learned in the course, and he has his notebook full of questions to ask his instructor. Thus he receives a valuable post-graduate course in selling.

In most firms where a knowledge of engineering is considered essential to the salesman, the policy has been to recruit the sales force from the technical schools and colleges of engineering, giving them the training in business and salesmanship in a short course and sending them out to sell. In some firms where the knowledge of engineering required is not so extensive, it is the custom to recruit the men from the better colleges of commerce and to teach them the fundamentals of engineering as they apply to the particular product. The procedure followed will depend on the relative emphasis placed upon the knowledge of engineering and an understanding of the fundamentals of business.

A few general suggestions for the conducting of such schools are offered by an authority:[5]

1. Where possible, do not mix cubs and older men in such classes. The two types may have equal experience, but I have found the older men something like the older boys in a young boys' class in grammar school. They are apt to be aloof and make it difficult to maintain unity of effort.

2. Avoid conventional class-room furniture—small desks, blackboards or a "teacher's desk." This seems to make many good men feel awkward and silly. And there's no real need for such furniture, anyway.

3. For the same reason, salesmen's class work should not be made unduly formal. They should be talked with—not lectured to. Find out how much they know before boring them with material which is too elementary. When you find that any of your men have particularly strong points, encourage them to talk freely. The best teaching is to get the men—as far as possible—to teach one another.

[5] FRANK L. SCOTT, *Printers' Ink*, Dec. 22, 1921.

The Instructor.—In such courses as we have been discussing, it is necessary that some one man should be in charge. This does not mean that he shall teach all the classes and give the men all the instruction they receive; as a matter of fact, in most cases he does not. But he must organize the work and direct it. The methods in the classes cannot be the methods used in the average school room, as the men are too mature, and there is not sufficient attention paid to individual students. By the time men have reached the age of salesmen, their personalities are fairly well developed and their individual traits must be considered if the best results are to be attained.

The selection of the teacher is made the more difficult by reason of this fact. It takes a bigger, more resourceful man to command the respect and coöperation of a bunch of more or less blasé male adults than of a group of grade school pupils. He must have a strong personality, must know the problems and ways of salesmen, and must be able to impart this information to them. In many cases the sales manager himself assumes this function; in others there is an educational director in charge, with assistants under him. One large tire manufacturing company has over thirty instructors in the school. If the sales force is large, as is the case where the product is marketed through exclusive agencies and every retail salesman is virtually working for the manufacturer, the work assumes large proportions and it may be a paying investment to call in one of the best salesmen and put him in charge of the work, provided he has sufficient education to enable him to plan and organize it.

In most training courses the work of the regular instructor is supplemented by special lectures from heads of departments, salesmen who have made good records, and outsiders who are authorities in certain lines.

Subjects Covered.—Naturally, no list of subjects can be given that is applicable to every training course, but some may be suggested as typical.

The product itself is usually studied first, the man being put through the shop work if deemed necessary to familiarize him with it.

The organization of the firm ought to be impressed on him, so that he can know just what becomes of every order or report

he sends in, how the goods are packed and shipped, who is in charge of each department at headquarters, etc. The history of the firm should be known to the salesmen, for it often gives a clear idea as to its policies.

General business principles are sometimes included in the course when the salesmen are recruited from high school or college—boys without much practical experience. As business becomes more complex, this phase of the training is increasingly important, as is witnessed by the ease with which the graduates of the better colleges of commerce are able to connect with the sales forces of good firms.

The keeping of records and the making out of reports should be impressed on every salesman, and there is no better time to do it than when he is in a receptive frame of mind.

If the firm is a national advertiser, it is well to give the salesman some instructions regarding the advertising policy and campaigns of the house. This may require some more or less detailed instructions in the fundamentals of advertising to enable the salesman to discuss the topic intelligently. If he is called upon to aid the dealer with his local advertising, this part of his training is particularly vital.

In this connection, it may be deemed wise to give the salesman some training in retail merchandising, to make him capable of helping the retailer to be a better merchant. As the conviction deepens that it is the duty of the staple salesman to help the purchaser to resell the goods purchased from him, this part of his preliminary preparation for the road will increase in importance. He should know something of store location, arrangement of departments, display of goods, retail salesmanship, local advertising, accounting, credits, etc. If he can aid his customer to make money, his reward will come in the shape of larger orders.

The coöperation of the salesman with the other departments should be emphasized, particularly those with the credit department. The salesman should be firmly grounded in the fundamental principles of retail and general credits, so that he can work with instead of against the credit manager.

The principles of salesmanship are always included in such a course. These may range from a few simple rules to an elaborate

discussion of the psychological phases and the specialized application of the art of elocution. This is the part of the course which requires the most careful instruction, as each salesman usually has his preconceived notions on the subject. It is at this point that a weak instructor will fail in his efforts.

Miscellaneous instructions and rules will be introduced throughout the course, such as methods of maintaining health while on the road, personal appearance and deportment, policies toward competitors, expense accounts, etc.

Methods and Equipment.—It would not be expected that the men would work as much from textbooks as students in college, but there is usually a fair amount of reading to be done. A concern which has been training its salesmen for any length of time will have built up quite a library in its particular field, and assignments are made in various books and bound periodicals. Lectures play an important part in the plan, as it has been found that the average salesman feels that he has finished school and does not like the idea of studying his lessons and reciting on them as if he were in the seventh grade.

The stereopticon and moving picture may both be utilized to advantage in visualizing various points, particularly the history of the product, advertising principles, and charts showing facts about the business. When the time arrives for the practice in selling, the stage may be set rather elaborately, a complete office being fitted up, or a section of a retail store, in which the salesman encounters conditions approximating those he will meet when he starts out.

The Manual.—The nearest approach to a textbook is the sales manual put out by the firm for the purpose of guiding the salesman. This manual is often used as a textbook in the course and retained for reference after the training period is over. It may be put up in loose-leaf form and changed to meet new conditions as they arise. Although the sales manual is also a part of the later training of the salesman, the principles governing its compilation and construction may properly be discussed at this point.

It is well to sell the salesman thoroughly on the value of the manual before he is sent out, or he is likely to ignore it after he starts selling. The ideal aimed at is to have him keep the

manual, refer to it frequently, and prize it highly. To this end he should be taught to consider it his "bible." The size and form of the book are important, the best practice now being to put it out in pocket size and in loose-leaf form if it is to be used by road men. If it is too bulky, the salesman will not carry it, even in his grip, and if it is not constantly revised, he will forget it. The arrangement of the material should be logical and well indexed, so that new pages can be inserted quickly. It is best to have the main divisions already indexed, perhaps leaving the salesman free to devise supplementary indices.

The material for the sales manual is compiled from many sources. Other manuals furnish ideas, while the salesmen themselves can help greatly. One firm had each salesman submit a paper about certain articles in the line, which contributions, coupled with those of the sales manager, engineers, heads of other departments, etc., furnished the nucleus for a good manual. Discussions at conventions, articles on salesmanship and business, letters from customers and salesmen, all may be made to yield valuable facts for the book.

The typical manual contains practically nothing that is not mentioned as part of the subject matter of the course, but it is likely to go into considerable detail on salesmanship, methods of meeting objections, approaching a customer, closing the sale, etc. If it is to be used as a part of the selling equipment, it may contain letters from pleased buyers, illustrations of the product in use, and similar material. Some manuals are designed to be shown to the prospect to reinforce certain statements made by the salesman, while others are for his personal perusal only, a heavy fine being levied on the salesman who loses his manual. Where manuals are in loose-leaf form the salesman himself can add to them from time to time by the insertion of clippings, or of his own ideas and experiences.

II. ROAD OR FIELD TRAINING

Purposes of Field Training.—Even after a systematic training course taken in the classroom under a competent instructor, a man may not be prepared to go out and make a success of selling. Therefore, many concerns believe in following up the young

fellow and giving him some further instruction in connection with the actual work of selling.

There is, however, a difference of opinion on this point among sales managers. One believes that a new salesman gets more good by working alone than he would with an instructor or coach to lean on. Yet even this manager makes frequent trips into his territory and does what he thinks necessary to help the new man get well started.

The benefits to be derived from this field training are proclaimed by one sales manager as follows:

"I trained in the field for a goodly number of years, staying from three days to three weeks along with the men. Some of the material I worked with was good educated material; others were picked up salesmen here and there and everywhere, and yet I found that by training them in the field I never got less than 100 per cent increase in efficiency from any man at any time, and by a mathematical record I got as high as 1,200 per cent from some of them and 500 and 600 per cent from many."

Methods.—One common method of conducting this field training is to send the new man out with one of the older salesmen, letting him watch the more experienced man sell for a few weeks and giving him an opportunity to learn at first hand how sales are made under actual conditions. The choice of the older man must be carefully made. Not every good salesman makes a good teacher or coach, even though he tries. He may be lacking in patience, sympathy, or a belief in the rules laid down by the house for successful selling. Many older men have gotten away from the routine selling methods taught in the training course, and do not appreciate that, while they may be able to sell by some other means, it is undoubtedly wise for the beginner to use the tactics taught him in the training class. In this way the older salesman may undermine the teachings of the school and give the new man the handicap of a poor start. The salesman who depends chiefly upon a powerful personality to put across his sales may prove a poor teacher.

Sales managers discover that occasionally older salesmen teach beginners some bad selling tricks as well as good ones. Sometimes they cherish petty grudges against some official in the home office, and harp on these so continually that the young man is

robbed of much of his loyalty and pride in the house he represents. Other salesmen dislike to sell before a cub, or perhaps approach only the easy prospects, thereby giving the new man the impression that selling is composed mostly of visiting with friendly customers who welcome the salesman with an invitation to dinner. Occasionally the old-timer passes on some lax habits to the younger man; they have been known to offer thorough instruction in the technique of padding expense accounts!

When the new man has watched the old-timer sell for a time, he should be allowed to "try his hand" on some prospect. Right here the coach has an opportunity to display his ability in the selection of the prospect for the young chap to tackle. If the boy needs confidence in himself, he should be allowed to start on an easy prospect who is almost certain to buy. But if the youth is complacent and over-confident, he ought to be introduced to some particularly difficult prospect to take some of the conceit out of him. After he has made the effort, whether successful or not, the trainer should go over the sale with him and discuss it thoroughly, with the aim of bringing out the strong and weak points displayed.

This need for treating new men differently is one of the advantages of the field training method. One experienced trainer illustrates this idea thus:

"Wherever assistance is needed, there the instructor goes to help. Different individuals, however, need different treatments. You go out and help one man close a sale and he learns by watching your method. Another type, however, becomes lazy when he finds he can get help in closing his sales and is constantly coming in with stories of how he could surely get this or that order if I would only go out and help him. Then again others never learn to stand on their own feet and never develop the confidence to close a sale as long as they are given assistance.

"Upon that type of salesman I often played a trick which worked successfully. I would make an appointment to meet him at a prospect's office. Then I would fail to show up; and the salesman, with the appointment made, would have to go through with the story alone. Then likely he would, to his own surprise, receive the order and delightedly rush to the office with it. Of course I would apologize for not being able to keep the appointment; 'but, you see,' I would remark, 'you didn't need me after all!'

"As to the type which through mere laziness was always trying to sell me on his prospects, I would simply turn him down and tell him he

must close the business himself. With this man I usually acquired a reputation for hard-heartedness, but it worked for the good of his soul."

Variations of Field Training Methods.—Some large firms have special trainers who do nothing except coach the younger men in actual field work, sometimes working with them in groups. This method is to be commended where the sales force is large enough to make it possible. In city selling it is often possible, and even where the salesmen are somewhat scattered a supervisor can travel among them and help them pick up business. This sort of teaching should be done very tactfully, as the men are likely to be more experienced and resentful of blunt suggestions. About six salesmen is as many as the average trainer can handle satisfactorily, although some firms put him in charge of a larger number.

One house catering to the technical field has its engineers travel periodically with the salesmen. The engineer is simply the salesman's assistant, and in this guise can carry on his work as coach most successfully. The salesman conducts the sale and the engineer assists only when engineering points come up which the salesman is weak in handling. Incidentally the engineers benefit greatly from this direct contact with users, and from their field work have arisen many improvements in the company's product.

This field training may be made a sort of perpetual affair. One very large and successful concern has its salesmen visit the branch office every two weeks for instruction at the hands of the manager. The men bring up various problems they have encountered, which are discussed and decided.

One device used in the early training of the new salesman is to let him go out and sell, or try to sell, a prospect who is in league with the selling firm and who will make the young salesman work hard and long. This "stool pigeon" can then report to the salesman's manager on the way he handled the situation. This little scheme permits the manager to get a line on a salesman before he has a chance to lose any business by poor methods.

A combination of the factory and field sales training is found in some organizations having a very large sales force and many branch offices. This method takes the form of a traveling sales

school which makes it possible for the salesmen everywhere to have the benefit of the training without the expense of traveling to headquarters. It also enables the directors of the course to adapt it to local conditions better than when it is conducted at the factory.

III. LONG-DISTANCE TRAINING

This third method of training is closely allied to the methods of stimulation represented by the house organ, bulletin, and letter from the home office in that all these are designed to be more or less educational in character. The difference lies in the fact that the regular bulletins and letters go to old as well as new salesmen and contain much that cannot be classed as educational in purpose. They are to some extent inspirational also. When we discuss the training of salesmen by correspondence we have in mind something definitely educational, something that is designed for no other purpose.

In case it is impracticable to give the young salesmen the benefit of personal field training, correspondence may prove a good substitute. It may be used with or without personal instruction. The importance of following up the green salesman cannot be overestimated, as it is in those first few weeks that he will "make or break." As one writer puts it:[6]

> "When a green horse is broken to harness and put on the road in active service, the critical time in his life occurs. The attention and treatment which he then receives determine largely whether he is to become a healthy, steady worker or broken-winded, balky or crippled. So, too, with the salesman. It is then the new salesman must be given most watchful attention, and treatment taken to nurse him to recovery if at any time he shows signs of slipping. . . . This tendency to failure applies not alone to the raw recruit without previous selling experience, it occurs also among those with successful selling records in other lines. Transplanted, these men find themselves lost; the methods which previously won orders are unavailing."

Another trainer of many successful salesmen voices agreement thus:[7]

[6] HENRY BURWEN, *Printers' Ink.*

[7] L. N. DENNISTON, *Travelers' Insurance Co.*

"The work of the training school should follow the new men into the field, and the instructor's influence should be continued in order that the theoretical may be merged into the practical without loss of enthusiasm, loyalty, or interest."

The Westinghouse Lamp Company starts a new salesman on a correspondence course covering the manufacture, application and sale of the product. The course is handled in the same way as that of the International Correspondence Schools and extends over a period of two years.[8]

One Successful Course.—The Burroughs Adding Machine Company has an elaborate course requiring one year to complete, with the student putting in about two hours a day in study. C. W. Treadwell, manager of sales instruction for the Burroughs Company, says:

"This is the first time we have ever said 'Must' to our salesmen. We have outlined a definite course of study, of which they are expected to master every detail. It is intended to make this the best trained selling organization in the field, if not in the world."[9]

Because of the success attending this training effort, perhaps it may be worth while to examine the details a little more closely. About twenty textbooks are used, in addition to the regular selling manuals, bookkeeping systems, etc., which the salesmen use in the regular selling work. The full course is divided into six sub-courses, each virtually complete in itself. They are graded, and bear the following titles: Junior Training Course, Junior Course Advanced, The District School, Elementary Senior Course, Selling School for Seniors, Advanced Senior Instruction. The material is sent to the men in small installments, which insures their reading it when they would falter at attacking one or two formidable appearing volumes.

Frequent examinations are held and the questions asked are very searching. It is expected that a student will resort at times to his textbooks in answering the questions, but this does not matter. If he answers them all satisfactorily, he will be sure to read the entire course thoroughly, which is precisely what is wanted. On one chapter there are twenty pages of questions to

[8] J. C. ASPLEY, "Modern Sales Organization."

[9] EUGENE WHITMORE, *Sales Management*, December, 1921.

be answered. These questions are intensely practical, as, for example:

> "While talking to the Browning Dry Goods Company, Mr. Browning says to you, 'You say you can save us money. Name three ways.' Name the three ways you would call to Mr. Browning's attention." "You are expected to learn the 324 demonstrations verbatim and be able to give them before your agency manager or the district instructor when required. Are you prepared to give them when called upon?"

The salesman is given a portfolio containing an accounting plan for small retailers, completely illustrated with sample forms, etc. Upon this, also, the salesman is required to pass a thorough examination before he is allowed to try it out on prospects.

The Burroughs Company is doing something which is interesting in this connection. They keep a record of each man's showing in his studies, and then keep a record of his sales, the idea being to discover just how good use the salesman is making of the study material sent him. They have already discovered that in the majority of cases a man's records in his studies and his sales run closely parallel. When a salesman made good grades in that part of the course devoted to public utility corporations, it may confidently be expected that he will make a strong showing in actual selling to this class of prospects.

Some sales managers, where the concern has no such well-outlined course of study as the Burroughs, exhort their men to read books and magazines which should prove helpful, or perhaps they finance, in part or in full, the taking of some course like the Alexander Hamilton Institute or Sheldon courses.

Advantages of Correspondence Training.—This correspondence instruction has several advantages over regular full-time class instruction. It is cheaper, for the company is not obliged to pay the student even a nominal salary of $25 a week, which is often done while he is attending school. Then, too, the men feel that they can at once put into practice what they have learned, and this fact gives the theory a practical aspect and makes the student more eager to grasp it. Likewise, it fixes the principle in his memory. Then there is a tendency in many full-time sales schools to "cram" the student with such a mass of

information that much of it must remain undigested or be forgotten. Much expensive sales educational material has been given out but no check provided to learn whether the men were making use of it as they should.

To have a correspondence course succeed, a check must be placed on the men to make sure they are studying, and they must be offered an incentive to study. It operates best when used in connection with one or both of the other methods of training.

In concluding this synopsis of training methods it is interesting to note what an old salesman has to say on the subject. His words are, "The scheme of shoving a grip into a man's hands and telling him to go out and make good after a trip to the factory and a little preliminary fussing, is nothing but cruelty. My real message from the salesman's point of view about sales schools is that it is the first real square deal the salesman's tribe ever got from employers. The sales school is therefore the greatest ally of the salesman, because it is like military training and a knapsack to a soldier at the front."

CHAPTER IV

EQUIPMENT

THERE are very few propositions which can be presented to the prospect without the aid of some sort of selling equipment. This may be the dozen trunks of the clothing salesman or the little booklet of the insurance solicitor, but it is equipment, and necessary. As A. W. Douglas, vice-president of the Simmons Hardware Company, says, "One of the most important elements of work on the road is carrying samples."[1]

There are three general principles which govern the use of equipment: it should aid in getting an audience, it should assist in making sales, and it should be as simple as possible. With these three principles in mind, it will be easy to work out the policies regarding equipment for any line.

I. TO AID IN OBTAINING THE INTERVIEW

The Advance Card.—Under this head we may consider the advance card, sent out by the salesman to notify his prospect that he is on his way and will call on a certain date. It is the custom of many salesmen calling on a regular trade to use ordinary government postcards for this purpose. Where the salesman is well liked and his visit welcomed, this practice may prove entirely satisfactory, but when he plans to call on a prospect who is perhaps not handling his line or who is not buying very much from him, the problem becomes more acute. Under these conditions it is necessary that the advance card arouse genuine interest in the approaching call; in other words, it should partake largely of the character of an advertisement. The following discussion of the subject of advance cards is so adequate that little remains to be added:[2]

[1] "Traveling Salesmanship," p. 28.

[2] C. B. LARRABEE, *Printers' Ink Monthly*, July, 1921.

"Ask the average salesman what he thinks of salesman's advance cards. Probably his answer will be non-committal. Has he ever used them? No, but he knows several fellows who have. Ask the salesman if he has ever thought of using them. Yes, but he seems to be getting along pretty well as it is. Business is rotten—but then— Does he believe in advertising? Sure he does, but what's that got to do with advance cards?

"On my desk is a letter from the sales manager of a large cloak and suit company. It says, 'Frankly, I think the card is being somewhat overdone.' To which the answer is, 'Frankly, how often have you seen it done right?' But that is an attitude that is pretty common among salesmen and sales managers in a great many lines.

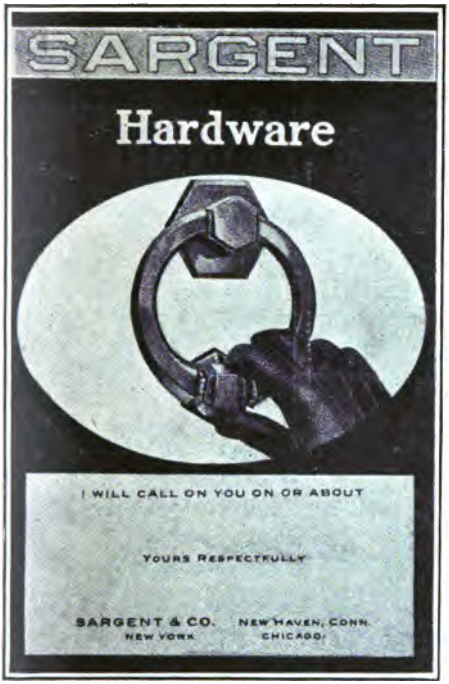
"On the other hand, I have a half dozen letters of which this is a good sample: 'Our advance card by no means satisfies us, and we are constantly trying to think of a more dignified and effective means of announcing our salesmen's calls.'

"A study of the advance cards now in use will reveal about a dozen types, running from plain postcard announcements to carefully prepared blotters and elaborate checking lists. The plain announcement probably does have its value, just the same as a newspaper advertisement that says only 'We are selling this week a fine line of fancy groceries' has its value. If the salesman feels that it is sufficient to apprise the dealer of his coming, that nothing more is needed, then he can use a postcard on which is written, 'Dear Sir: I will call on you on or about July 5 in the interest of Smith Tires.' However, one question always occurs to the man who reads this card: Why bother to have it printed?

"A variation of this plain announcement idea which is effective, however, can be used by companies that sell high class goods to an exclusive trade. A salesman who is selling only the best grade of silverware in the best class of jewelry stores can tell of his next visit very effectively with an almost plain, heavy card with an engraved message running something like this: 'Mr. M. B. Blue has so arranged the schedule of his present trip as to be with you about July 7. He trusts that you will find it convenient at that time to look over his line.' To be sure, it doesn't have a great deal of punch, but it is calculated to appeal to one class of trade.

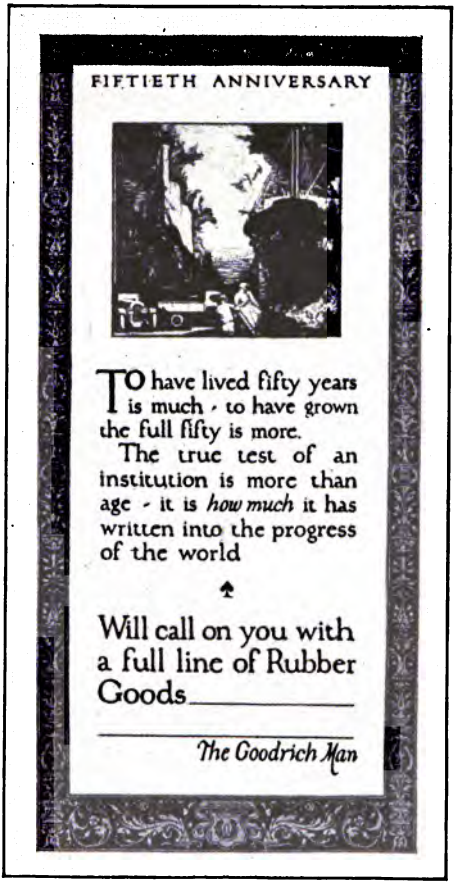
"Now to jump to advance cards that show much thought in preparation, that are clever and effective pieces of direct-mail advertising.

"The B. F. Goodrich Rubber Company has been using a most complete and effective line of cards. They range all the way from frankly humorous cards to those having a dignified and quiet appeal. For instance, there is the Fiftieth Anniversary card, which in illustration, decoration and typography identifies itself at once with the company's magazine and newspaper advertising. It is headed 'Fiftieth Anniversary' and beneath the heading is a line cut of a dock scene. The message reads: 'To have lived fifty years is much—to have grown the full fifty is more. The true test of an institution is more than age—it is *how much* it has written



An advance card which suggests cleverly both the product and the contemplated call.

(*Facing Page* 78)


FIFTIETH ANNIVERSARY
TO have lived fifty years is much - to have grown the full fifty is more.
The true test of an institution is more than age - it is *how much* it has written into the progress of the world
Will call on you with a full line of Rubber Goods
The Goodrich Man

An advance card which enhances the dignity of the firm and salesman.

Won't you look over the following list and check the items in which you are interested?

Adding Machine	Emb. Glassine	Post Card
Blanks	Enamel Book	Poster
Blotting	English Finish	Press Board
Bonds	Book	Proofing Paper
Book	Envelopes	Railroad Board
Book Cloth	Folding Enamel	Railroad Folder
Bristol	Glassine	Ruled Headings
Canary Writing	Glazed Label	Safety Paper
Car Sign	Gold Mailing	Second Sheets
Catalogue Env.	Gummed Paper	Shipping Tags
Chip Board	Gummed Tape	Show Card
Clasp Envelopes	Index Bristol	Stencil Board
Cloth-Lined	Laid Book	Stereotype
Coated Blanks	Laid Envelopes	Super Book
Coin Envelopes	Ledger	Tag Board
Colored Book	Litho Coated	Tariff
Colored Enamel	Manifold	Tough Check
Cover Paper	M. F. Book	Twine
Cut Cards	Mimeograph	Tympan Paper
Deckle-Edge Bk.	Newsprint	Visiting Cards
Die Wiping	Offset Book	Wedding Bristol
Drinking Cups	Onion Skin	Wedding Cabinets
Drug Envelopes	Padding Cement	Wrapping Paper
Eggshell Book	Plated Label	Writing Paper

Our Price Lists are sent only to those who are in the printing trade, and entitled to wholesale prices

THE WHITAKER PAPER CO.
BALTIMORE

This advance card saves time for customer and salesman.

into the progress of the world. Will call on you with a full line of Rubber Goods about July 2d.—James A. Green, the Goodrich Man.'

"Of just the opposite appeal is a card bearing the picture of an old darkey, with a watermelon under each arm. He stands looking longingly at a nice fat pullet. The message is, 'You can't have everything. But it's a cinch to make your choice in rubber goods. I'll see you July 10.—James A. Green, the Goodrich Man.'

"There are a dozen other cards, but these illustrate what Goodrich is doing along that line. These cards get the dealer's attention and hold it for the same reason that an advertisement gets the consumer's attention and holds it. They are printed on blotters, so that, instead of giving a careless look at the card and then chucking it into the basket, the dealer will keep it on his desk—for every dealer can use a blotter. In this way he has always before him a reminder that the salesman is going to call—and more than that, a reminder of the Goodrich line. This is a big point in preparing advance cards—make them so effective that the dealer won't want to throw them away."

The Whitaker Paper Company card represents another type, and appeals especially to a dealer whose stock has a rapid turnover and requires frequent checking up to avoid shortages. On one side appears the simple announcement: "I expect to call on you on or about July 21.—R. M. Hunt." Underneath this is the company's trademark and the line, "See other side of card." The purpose of this card is to avoid the usual confusion attendant upon a salesman's visit which comes at an inopportune moment when the dealer is busy with other matters. By using this card he can check over the stock at his leisure, thereby making a more careful inventory than he otherwise would make. This saves the time of the salesman and leaves him free to push the sale of special items.

The types of cards mentioned do not include all, by any means. Some firms use picture post-cards of the factory, or of unique uses to which the product may be put, or of different products in the line. Some of these are educational, as those put out by one coffee importer, showing the various stages through which the product passes enroute from the plantation to the table.

The chief objection voiced by salesmen to the use of advance cards is that it offers the dealer a chance to prepare for the call, to fortify himself with reasons for not buying, or perhaps to absent himself from his place of business when he thinks the

salesman is due to arrive. But this is no argument against the advance card; it is rather a confession of weakness on the part of the salesman. The salesman who cannot serve his customers so that they are willing and glad to see him, should revise his selling methods.

In brief, the advance card should conform to some of the simple rules governing the planning of direct-mail advertisements, among which may be mentioned the following:

Avoid monotony by frequent change.

Don't compel a salesman to use them against his better judgment. If he sees the other men are using them to good advantage, he will give them a trial.

Make them interesting and snappy, but not cheaply clever. Mere cartoons are often poor salesmen.

Make the cards of some use to the customer, either as a blotter, a calendar, a checking list, or in some other way. Then he will keep it by him.

The Business Card.—Some of the same principles apply to the business card carried by the salesman. The business card really is advertising and should be treated as such. In the first place, it should reflect the character of the business the salesman represents. If that business is printing, the card should be printed, not engraved. If the line is mechanical stokers, the type used would be different from that on the card presented by the salesman for toilet preparations.

In the second place, the card should be novel if possible. Here is the way two wide-awake New York houses got away from the conventional in business cards:[8]

This firm was in the engraving business—the photo-engraving end of the business—and it specialized in advertising plates. It employed six or seven salesmen, who were constantly calling on new prospects and introducing the firm to these prospects. The head of the plant was a strong believer in the advantages of giving a novel punch to all advertising. And he was also a firm believer in the ability of the business card to act as advertising. So instead of equipping his salesmen with the usual form of card, he supplied them with half-foot celluloid rulers upon which were printed measurements for type. With the aid of this ruler the advertising men could easily determine how many lines of various-sized

[8] FRANK WILLIAMS, *Printers' Ink Monthly*, May, 1920.

type would go into a certain space, etc. The ruler was a real aid to those persons to whom it was given.

Now, what happened when the salesmen came around to the agencies or to the advertisers? In the lobby of an office the salesmen were met by the office ogres. Their business cards were demanded. The salesmen handed out the rulers. The desk men, in considerable surprise, took these rulers to the men in charge of purchasing. These prospects, grown hardened to the ordinary business card through long contact with it, gazed at the rulers in considerable surprise. They saw at once the utility of the ruler, and immediately felt a kindly regard for the salesmen. Invariably the salesmen got in to see the prospective buyers, and they made sales frequently.

The same idea of injecting a novel advertising value into the business card was used with good effect by a New York lithograph company which specialized in lithographic work for the larger movie concerns. This company provided its salesmen with something entirely different from the usual run of business cards. Instead of giving each salesman merely a dignified-looking announcement card, it made every salesman carry a booklet of lithographed sheets about half the size of a letterhead, upon which appeared perfect likenesses in color of each salesman. Under the likeness appear this wording:

"We get perfect likenesses! That is one of the strongest points about our business. This is a perfect likeness of Mr. So-and-so, who is representing us, and who will be glad to show you how we have satisfied scores of other lithograph users."

Of course such a novel business card as this always got a hearing for the salesman. And it was really super-advertising for the lithograph concern in that it showed every purchaser of movie lithographs that the company really could get likenesses.

A Different Method.—A unique variation of equipment for the purpose of getting a hearing is found in the method used by the H. D. Lee Mercantile Company, manufacturers of the Lee Union-Alls. The salesmen of this firm are garbed in one-piece overall suits, and wear them when calling on prospects. This device makes it hard for the dealer to say, "I haven't time to look at your samples to-day," for the salesman comes right back at him, "You're looking at a sample now. Isn't it the finest looking work garment you ever saw in your life?" And before the

dealer can stop him, he is started on a selling talk. This has increased greatly the sales of the Lee representatives and they are enthusiastic over the idea.

II. TO INCREASE SALES

The second principle governing the salesman's equipment is that it should be designed to aid him in making sales. This rests back on fundamental human nature—we get more interested in a thing if it is made to appeal to us through more than one of our five senses. Therefore, if we can see and hear and touch an object, we are more likely to be interested in it than if we only see it or hear it. This is particularly true of mechanical devices. There is a certain fascination in playing with a cash register, pushing down the keys, turning the lever, ringing the bell. The automobile salesman knows that he seldom has the prospect thoroughly "hooked" until he gets him behind the steering wheel.

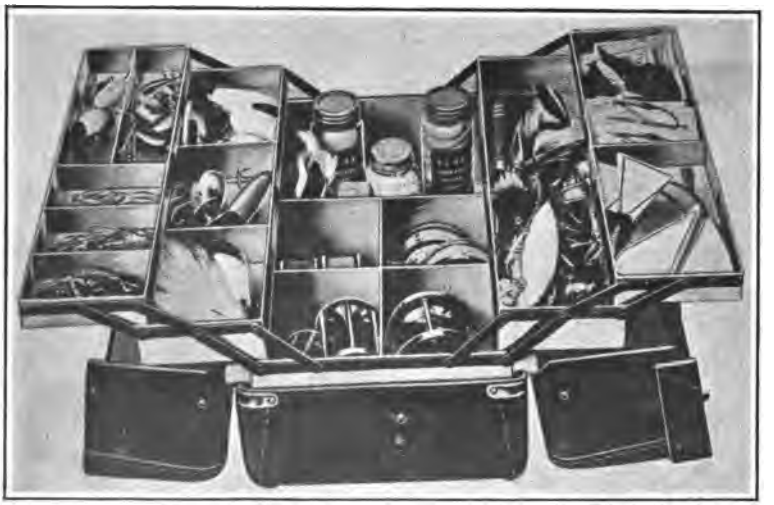
The Use of Models.—There are some lines where it is hard to carry samples of the product, as it is bulky or heavy. Some firms have solved this difficulty by turning out miniature models for the use of their salesmen. The Cowan Truck Company, manufacturers of trucks for internal transportation in factories, furnishes its salesmen with miniature models which prove of genuine interest to the prospect. The Wetzel Mechanical Stoker weighs tons, but a tiny working model can be carried in the salesman's grip, and most prospects like to "play with it." These "toys" serve to arouse interest and also to make clearer the mechanical construction of the product.

Planning the Kit.—Much can be done to add to the effectiveness of the demonstration by carefully planning the trunk or sample case. There should be a place for each item and these should be arranged as nearly as possible in the order they are used. That is, the salesman should not be compelled to stop his demonstration to search the depths of his case for the article he wishes to show next. Such a lapse in the selling talk interrupts the progress of the sale, gives the buyer a chance to think up and voice his objections, and furthermore, makes a very poor impression on the prospect. If the salesman does not know his line,

Keep Cool!
On the underwear situation
Roxford customers, those we have, and those we hope for, have nothing to worry about. I'll be along in the next few days with the complete Men + Boys 1919 Line
Thank you

A touch of humor helps the prospect to think of the salesman with a smile.

(Facing Page 82)



A well-planned kit which conserves space and displays the samples.

he cannot expect to interest others in it. Confidence, one of the prime requisites of a sale, is destroyed.

It will frequently pay to have special kits made up for the salesmen, so that these advantages may be utilized. A good illustration of this principle is the kit used by the Borden salesmen. In this little kit, scarcely larger than a portfolio, are contained an electric disc stove, heating pan for water, thermos bottle, four metal cup holders, a supply of waxpaper cups, four spoons, two glass mixing spoons, and paper napkins. The salesman opens the kit, puts a teaspoonful of cocoa or coffee in a cup, pours hot water into the cup from the thermos bottle, stirs it up and offers it to the merchant ready to drink. The process of preparing it is so interesting and, largely because the kit is so well arranged, takes such a few moments, that the merchant is sold on the idea that the product can be prepared almost instantly. When the hot water in the bottle is gone, the salesman heats more on his little stove and is ready for the next call. In this illustration it can be easily seen how greatly a well-organized sample kit may add to a salesman's efficiency.

In those cases where the samples are used primarily to illustrate the selling talk, it is imperative that they be arranged so that they may be brought out without interrupting the demonstration. Where the samples do the selling, it may not be quite so essential, but it is still important.

To avoid disorder and to insure that every article goes back into its place in the case, the samples may be numbered. Or it may be desirable to put them out in different sizes, so that they will fit in no compartment but their own. Finally the sales manager will do well to examine the sample cases of his men frequently. One sales manager says:

> "It is an interesting study of human nature to examine a man's sample case after he has lived with it a few weeks. You get a pretty fair idea of the salesman himself from the way his sample case looks after he has dominated it for a matter of two or three weeks." [4]

The right use of his equipment is something the salesman should learn before he starts on his first trip. A very experi-

[4] RAY GILES, *Printers' Ink Monthly*, May, 1921.

enced salesman once said, "The successful use of samples consists in knowing them and showing them."[5] Unless proper use is made of them, they cost more than they earn. One of the first matters to be decided is the number of samples which will be carried. This depends on several factors, such as the general business conditions which are reflected in the ease of making sales; the nature of the goods; the territory being worked. Where fashion is a factor and the character of the goods is changing frequently, it is more essential to carry samples than where the items are staple from year to year. In general, new goods should be sampled, for every buyer wishes to see what he is going to receive. The more expensive an article is, too, the more likely it is that the salesman should carry samples.

How to Show Samples.—Now as to the method of displaying them to the prospect, it may be said that it is possible to show too many samples at a time and thereby distract the attention of the buyer. This point is illustrated interestingly in the following account.[6]

"Not so very long ago I had the pleasure of sharing a large sample room with a salesman for a very large and well-known drug jobbing house. They 'carry' most everything that is sold in the modern drug store, from house paint to rat poison. His 'line' was carried in three large trunks, and a good half day was required to unpack and arrange it around the various display tables.

"This particular salesman had not been in this line very long, although he was an experienced salesman, and was familiar with a great many of the items in his varied line. He had the idea that it would only be necessary to get the druggist in the sample room, and then proceed to sell him an order 'as long as your arm,' as he expressed it.

"The display was really bewildering. It reminded me of a three-ring circus. You simply couldn't see it all in one trip.

"I was present when his first customer appeared with him. Instead of being dazzled by the magnificent display of 'red hot sellers' the druggist appeared bored. It was an old story to him. Like the girl who worked in a candy factory, he had lost his appetite, so to speak. The customer simply wouldn't wait and listen to any selling talk on any single item. 'There's only a few things I need, what's your price on so and so?' By the time the price was quoted he had passed on to something else, and soon he had looked over the entire line, and only ordered a few hot water

[5] DOUGLAS, "Traveling Salesmanship," p. 31.

[6] *Sales Management*, September, 1920.

bags, and some finger nail buffers, and a supply of chill tonic which the jobber advertised extensively under his own private label, which was practically staple in this territory. Before the salesman knew it the interview was over. Half a dozen good items remained forgotten, he was astounded at the smallness of the order. Yet the situation seemed to be beyond him, and the druggist departed without having bought enough 'to pay for my dinner,' as the salesman expressed it.

"There were five other druggists in the town, and although he did manage to sell one a fair-sized order, none of them came anywhere near buying all of his requirements until the salesman would visit him again. Here was a situation that should be remedied. The line was all right, the prices in line, and the house well known.

"The salesman talked it over with me and I ventured the opinion that too much merchandise was in view. 'If half of this stuff were in your trunks and out of sight I think you would be better off,' was my candid opinion, expressed with a vehemence that impressed him.

"So he set about to rearrange his entire line. Only the most attractive items were displayed. The commonplace items, the every-day, plain, unattractive items were set aside, and the displays grouped together as they would be in á modern store. But only the best of each line was allowed to show. Space was left between each exhibit so that the druggist would not be tempted to look at two or three different lines at one time.

"One or two of the druggists were induced to return to the sample room to 'look over some specials that I forgot to show you this morning.'

"This time results were far better. They noticed the difference, although they did not realize it. Many attractive-looking items caught their eyes that had been entirely lost in the confusing array of the first display. Those items that were furnished with display cartons, or on display cards were featured. Several attractive assortments of toilet articles were grouped together, and a price named for the assortment. Although the price was not cut, it was easier to sell a 'shipment' than to sell it item for item. In other words the salesman did part of the thinking and buying for the customer.

"Although it was impossible to induce all of the druggists to make a second trip to the sample room, those that did come more than bought enough to pay for the trouble. I noticed that when the trunks were packed one of them remained behind. 'Store this away until I come back again' were his instructions to the hotel porter. The items that he left behind were so well known that samples were unnecessary—they could be sold by description or from a price book, but they took up so much room, and distracted so much attention from the more profitable items that they killed business."

Use of the Sample Room.—Suggestions as to the best methods of utilizing the sample room are worth consideration, as "a large percentage of the merchandise distributed in this

country is sold in sample rooms. . . . In some lines retail buyers spend on an average of two hours a day in sample rooms." [7] Where fewer goods are displayed, it is possible to go through them more slowly, bringing out special bargains from trunk or grips when interest begins to wane.

It is possible for the salesman traveling a trunk line to carry with him a few bits of stage scenery which may be of great help in displaying his goods or lending a favorable atmosphere to the sample room. The background should be considered, as this is an important element in effective display. A black or purple velvet background against which to show cut glass or fine china will add materially to the sales total. Some salesmen have been known to carry pictures which they hung in the sample room to give it the proper atmosphere and place the prospect in the right frame of mind. One china salesman carries a complete assortment of silver, napery, etc., and sets a table complete in the sample room. A salesman for dog collars carries a pedigreed bull terrier who "poses" as a model.

This concentrating of the buyer's attention on fewer items has an interesting reaction on the salesman also. He begins to give each item more thought, studies it more carefully and "digs" for talking points as he did not have time to do when he had more items in his display.

It is a good idea to include something new in the sample kit frequently. This new item may be necessary to get the interest of a prospect who knows all about the regular proposition and inquires, "What have you got that's new this trip?" Incidentally, this inclusion of a new item from time to time keeps the salesman from "going stale" on his canvass.

One thing which should be impressed on the salesman is the vital necessity for keeping his samples in good condition. Samples deteriorate gradually and the salesman fails to appreciate the change. It is much like the case of the man who buys a new suit; he continues to regard that as his "new" suit long after it has ceased to impress others as new. Where the samples can be renewed, one evening a week may be set aside for going over the kit and making out requisitions for new items to replace

[7] MARTIN HASTINGS, *Printers' Ink Monthly*, October, 1921.

those that are becoming shabby. Where it is impossible to replace samples, as is often the case with garments, extraordinary care must be exercised to keep them in good condition. It is with such articles that the sample case or trunk must be planned most thoughtfully with a view to preserving them in the best possible shape. Food products, also, must be kept palatable, and the kit may have to be planned for this purpose. A salesman for a soft drink found that his sales increased wonderfully when he kept his samples ice-cold in thermos bottles.

One more point is worth mentioning, and that is the importance of handling the samples with respect. If the salesman tosses them about carelessly as if they were of no value, he need not expect the buyer to have a very high opinion of them. Most good houses instruct their salesmen in the art of handling samples as if they were objects almost of veneration.

III. TO CARRY AS LITTLE EQUIPMENT AS POSSIBLE

The third of the underlying principles governing the use of equipment is to carry as little as is consistent with effective selling. During the war and the two years following the tendency to cut down on samples was apparent, for most manufacturers were oversold and not fighting very hard for business. Salesmen grew lax and more or less slovenly, and discarded cumbersome equipment whenever possible.

Sample Kits Are Smaller.—One writer on the subject, after investigation, asserts that the sample case has displaced the trunk. Another says that almost any manufacturer or dealer in baggage will say that the demand for larger trunks has fallen off while at the same time there is a noticeable increase in the sales of brief cases, portfolios, and hand luggage. It is obviously possible to carry this simplification of equipment too far; and there is reason to believe that this has been done by some houses. With a buyer's market in operation, the fight to sell is calling back the trunk already. Some salesmen feel, however, that this extreme simplification of equipment is an indication of good salesmanship; that almost anybody can sell from sample as the goods tell their own story, while it requires sales ability of a high order to sell without much "scenery." Probably this is

true, but if so, it constitutes an argument for the use of samples in cases where competition is keen.

Some very successful firms, like the Addressograph and the Dictaphone Companies, emphasize the value of carrying samples always and have waged vigorous campaigns to sell their own sales force the idea of "carry and sell." Some firms have pushed this idea still farther and have used samples to interest the prospect and then delivered a supply on the spot before he has a chance to change his mind.

Reasons for Limiting Equipment.—Now let us take up some of the reasons why we should try to cut down the equipment as far as is safe.

(a) In the first place it saves money for the firm. The chief items of direct outlay resulting from an extensive line of trunks are, of course, excess baggage, tips to porters and baggagemen, drayage, rent of sample rooms, and the cost of buying and maintaining the equipment. It seems safe to say that the cost of operating a sample trunk is in the neighborhood of $300 a year, and probably more if it is always excess baggage and travels many months of the year.

(b) In the second place it saves energy. The salesman who carries a couple of heavy sample cases around with him and staggers into a prospect's place of business with perspiring brow and gasping for breath is not in the best condition to put up a hard fight for business. He will probably make fewer calls in a day and will be inclined to pass up towns where he is compelled to carry his own grips for any distance. Then, too, he will be tempted to leave his kit at the check room at the hotel or station and attempt to sell without it, especially if he is calling on old customers. This is a dangerous practice, even with regular customers. Incidentally, the shape of the case will make a difference in the fatigue of the man who is compelled to carry it. A flat case is easier to carry than a square one, and will more conveniently slip under the seat in the Pullman.

One of the reasons why many firms are sending their salesmen out in automobiles is to save the energy used up in tugging heavy sample cases about.

(c) A third reason for cutting down on equipment is that it saves much time for the salesman. The trunks are not so sure

to come through on the same train the salesman takes as is a hand grip. Then there is time consumed in getting them up to the sample room or buyer's place of business, the unpacking, the repacking, the return drayage, the extra time to look after checking them, etc. This time element amounts to many days in the course of a year.

How to Cut Down on Size of Equipment.—It remains for us to examine the means by which the equipment may be curtailed. In general, the seller seeking to cut down the equipment used by his salesmen can accomplish his purpose in any or all of three ways.

(a) In the first place, he may eliminate certain items completely, either by discontinuing their sale or by selling without sample. This may perhaps safely be attempted with well-known staples where the salesman is calling on an established trade.

(b) In the second place, where the line is subject to frequent mail orders from the regular trade, a complete outfit of samples may be made up by the seller and furnished the buyer, so that the salesman need not carry the entire line with him, knowing that the buyer has a sample case of his own. This method has been widely adopted by paper manufacturers and jobbers, who have furnished printers and stationers with elaborate samples carefully indexed, so that ordering is made easy without looking at the salesman's samples. This enables the salesman to sell without carrying more than a few "specials" in a portfolio.

(c) In the third place, pictures may be used instead of actual samples. This third method is perhaps the one which received the most attention when every effort was being made to cut down on equipment. One big wholesale dry goods house in 1918 "junked" one hundred and forty-eight trunks by adopting this expedient. The method used was to photograph a sweater or other garment on a live model, and attach the picture to a card, together with a sample of the material. This saved 90 per cent of the weight of the sample line, saved 50 per cent on cost of getting them ready, kept them in better condition, as they could be replaced, and resulted in greatly increased sales, which the men attributed to the greater ease with which customers could

examine samples and the increased number of calls the men were able to make.[8]

Sometimes a compromise may be effected, as was done by a linoleum manufacturer, who put out pictures of the various designs in colors, including samples of the actual product only for the purpose of showing quality and weight. Photographs are selling heavy machinery, furniture, crockery and enameled ware, clocks, textiles, hardware, and scores of other articles which formerly were sold almost exclusively from samples.

The Portfolio.—The Butterfield Trunk Company of Seattle uses an elaborate portfolio full of pictures for its salesmen. They make trunks for other salesmen, but theirs sell from pictures. The portfolio costs almost $50, which may seem quite a price, but it would soon be exhausted in supplying a salesman with samples and a trunk to carry them.

The great Glidden Company, with its four hundred salesmen and thousands of dealers, is a strong believer in the power of the portfolio to make sales. The Glidden portfolios comprise three books, one for the salesman, one for the dealer and a sales promotion folio for both. The salesman's portfolio is a series of beautiful reproductions from life-sized originals and bound in leather. It contains color cards, window trims, advertising booklets, and in fact everything which the salesman might want to use or refer to. Every illustration is printed in colors, the idea being to make the portfolio so impressive from a physical and artistic standpoint that the prospect will recognize at once that he is dealing with the representative of an important concern.

Regarding the efficacy of the portfolio, one writer suggests:

"The sales-pulling portfolio should include everything that tends to promote the product truthfully, and omit anything which cannot be verified in fact. In brief, the purpose of this salesman's aid is not to elaborate on the merits of a line through the use of words, but to picture the product as it actually is, so that the prospect can see for himself. The portfolio that fills these requirements is the best aid a salesman can have, for it represents seventy-five per cent of his selling argument."[9]

[8] "Saving Time on Salesmen's Samples," *System*, May, 1918.

[9] "How the Portfolio Aids Salesmen," *The Sales Manager*, January, 1921.

Henry Burwen, who has investigated this phase of sales management, tells of asking a salesman why he did not use some of the excellent material (photograph albums) provided by the company. "Oh," he replied, "I don't need them." And he boasted of the fact that he went out with nothing but price sheets carried in his pocket. But the "pinch hitter" in the same organization, a man whose commissions average $20,000 a year, makes his photograph books, his blue-prints, and all manner of charts a vital part of his luggage. At one time he had made a model of his equipment which weighed a thousand pounds, and shipped it before him the whole country over. And the ordinary salesman would not carry even a book of photographs!

The extreme example of reliance upon samples to make sales is found in the practice of some firms who make up kits or even trunks of samples and send them out to their customers, usually retailers, in the hope that the latter may be prompted to make up an order without the pressure usually exerted by a salesman. It is the practice of a few firms to send out trunks, which are opened and examined by the customer and then sent on to the next stopping place on the route. This practice does not seem to be growing rapidly in favor, although in a time when there was a shortage of merchandise and salesmen it worked fairly well.

Disposal of "Dead" Samples.—There is a problem which confronts every firm selling from sample, and that is, what shall be done with "dead" samples? There are two kinds of dead samples, those that are "out," or which the house is unable to supply, and those items which the salesmen just do not seem to sell. With regard to the first group, the "out," or permanently discontinued numbers, there are two ways in which the problem may be handled. One way is to train the salesman to send in these samples at once, thus keeping his trunk clean. If the salesmen do not do this satisfactorily, a clerk should be given the task of keeping an accurate check on the samples which each salesman has out with him, and as soon as a number is discontinued this clerk should call for all such samples and keep after the salesmen until they are returned. Where the value of the samples is great, this will pay handsomely, as it is possible for the sales force to have several thousand dollars' worth of dead samples in their trunks, which could be disposed of at a profit.

With respect to new samples which the salesman does not seem able or willing to sell, it appears that he should not be given free rein about sending them in. An effort should be made to stimulate his sales on those items on which he seems weak, so that there will really be few samples in his trunk which he is not using. The time to eliminate doubtful samples is when the salesman is starting for his territory. At this time certain numbers may be left out, due to definite peculiarities of his territory, but after the line is started over the territory, it should be the aim of the house to see that the salesman pushes every item. It is obvious that a record must be kept of each man's sales by items to enable the manager to direct his activities intelligently, and any well managed sales department has such information available.

If a firm is traveling one hundred men and can save each man one trunk by cutting these unused samples, it will amount to an annual saving of about $25,000, which is worth looking after.

The Sales Manual as Equipment.—In a way, the sales manual may be considered as a vital part of the salesman's equipment, inasmuch as most firms putting out manuals wish their salesmen to carry them constantly. Although this is the wish, it is often unrealized, as many salesmen grow careless about their manuals, frequently leaving them at home instead of keeping them constantly with them. To obviate this difficulty certain suggestions have been made.

The six outstanding reasons why only about one manual out of five is in active use are:[10] (a) lack of utility value, (b) salesmen's unwillingness to carry it, (c) failure to sell salesmen on value of standardized sales talk and arguments, (d) no allowance made to keep manual revised and salesman's interest alive, (e) loss of manual through failure to register it, (f) impractical size and arrangement of contents. Of the six the last is probably the most important.

The size of the manual depends largely upon the use to which it is to be put. That is, if it is to be carried on the road it should be smaller than if it is for office use by city salesmen

[10] Special Report of The Dartnell Corporation on Sales Manuals.

for, say, an automobile. The pocket size manual has much to recommend it. Some simple manuals have been devised which combine the diary feature with timely selling suggestions. Others are a combination of manual, catalog and price list, the idea being to make a part of the book so indispensable that the salesman will carry it with him everywhere. Many manuals are now being made up in loose-leaf form to facilitate keeping them up to date. When new material is frequently being sent to replace obsolete pages, it is a constant reminder to the salesman that his manual is a year-round proposition. When he opens it up to insert some new pages, he is likely to have his attention called to some other part, and profit thereby. When the book is loose-leaf in form the indexing is very important. It should be made easy for the salesman to find any facts he seeks, and to file quickly new material.

Some small pocket manuals combine the indexed information with a filler, which can be changed often. They may be used for reports or expense accounts. It is interesting to note that some firms have found that the word "manual" is distasteful to salesmen, but if it is called "Information Book for Salesmen" or "Facts for Ready Reference" or something of that sort they will be more likely to use it. The average salesman is sensitive about receiving unsolicited suggestions from some desk man, especially if that desk man be a youth earning about one-fourth the salesman's income, so it is necessary to handle the problem diplomatically to insure the most effective use of the manuals.

It may be wise to let the members of the sales force contribute to the manual, leaving the editing to be done in the office. This makes the manual a coöperative proposition, and relieves it of the stigma "theoretical and impractical." A letter to each salesman asking for the problems he found most baffling may offer a good place to start the compilation of a manual. Or it may be accomplished at a convention session. If the salesmen feel that they have had a hand in getting it up, they will be far more likely to use it.

APPENDIX TO CHAPTER IV

Outline of Typical Sales Manual as Suggested by The Dartnell Corporation

DIVISION ONE

History of the Business and Its Policies

a. Importance of Selling the House as Well as Products.
b. Human Interest Story of Inception of Business.
c. Something About the Founders and Their Personalities.
d. The Distinguishing Policies—How They Grew Up.
e. Organization—"Who's Who" Among Executives.
f. Chart Showing Growth of Business in Late Years.
g. "The Future"—Signed Statement by President.

DIVISION TWO

Personal Selling Suggestions

a. How to Get "Live" Leads.
b. Qualifications of a Good Salesman—Self-analysis Chart.
c. What a Salesman Should Study—Outline Course.
d. Mental Equipment Each Salesman Should Develop.
e. Physical Equipment Each Salesman Must Carry.
f. Suggestions for Using Said Equipment to Best Advantage.

DIVISION THREE

The Product—What It Is

a. Points to Remember About Raw Materials.
b. Distinguishing Manufacturing Processes and Methods.
c. Illustrations that Demonstrate Superiority in Manufacture.
d. Main Talking Points in Tabloid Form.

DIVISION FOUR

The Product—What It Does

a. Analysis Chart of Uses, Both Developed and Undeveloped.
b. Photographic and Documentary Evidence of Superiority.
c. Letters from Users—Fac-similes of Big Orders.
d. List of "Halo" Customers by Territory.

DIVISION FIVE

Standard Sales Presentation

a. Importance of Standardized Sales Presentation.
b. Suggestions for Approaching and Interesting Buyers.
c. Model Canvass with Sales Arguments in Tabloid Form.
d. The Demonstration.
e. Introducing Prices, Terms and Delivery.
f. Suggestions for Closing Sales—When and How.

DIVISION SIX

The Order and Its Execution

a. Importance of Signed Orders—Make Them Out Carefully.
b. Reproduction of Well-executed Orders.
c. What a Salesman Should Know About Credits.
d. Following the Order Through the Factory.
e. "Don'ts" to Remember in Writing Orders.

DIVISION SEVEN

General Instructions and Rules for Salesmen

a. Regarding Relations with Various Departments.
b. Regarding Correspondence with House and with Customers.
c. Regarding Coöperation with Advertising Department.
d. Regarding Reports, Expense Accounts, and Route List.
e. Regarding Attitude Toward Customers.

DIVISION EIGHT

Answers to Common Objections

These may be secured by a general letter to salesmen, first asking them to list objections they most frequently encounter, and then furnishing digest of these objections to all salesmen, asking each one to submit his best answer to each. Thus a composite answer will be secured that represents the combined ability of the entire staff.

DIVISION NINE

a. Concerning Personal Appearance, Voice and Poise.
b. Concerning Habits, Deportment and Industry.
c. Concerning Competition and House Policies.
d. Concerning Temptations Commonly Encountered.
e. General Reminders and Suggestions.

CHAPTER V

TERRITORY

SEVERAL important problems which must be settled before the men are sent out on their initial trip have to do with the territory they are to cover. For example, shall each man be permitted to roam at will, picking up business where he can, or shall he be limited to a certain territory and compelled to find all his business there? To be sure, most concerns follow the latter plan, giving each man a definite territory for his own, in which no other salesman for the firm is permitted to sell, under ordinary conditions.

But this is not a universal practice. The Ford Motor Company has removed restrictions on territorial lines, so that their salesmen are free to sell wherever they can find a buyer. Other firms follow this plan within a limited territory, as a city. A bond house or insurance company may have a dozen salesmen in a city without assigning any one of them a definite territory.

Purposes of Assigning Definite Territories.—In view of this variation of opinion and practice on so important a policy, it will be worth our while to stop a moment and discuss the question. The reasons why most firms prefer to assign definite territories may be briefly summarized as follows:

1. To prevent criss-crossing and waste motion; in other words, to cut down traveling expenses in proportion to sales.

2. To enable the home office to develop a set of records which will give the facts desired. These facts must tell the sales manager something of the way in which each salesman is performing, and it is easier to estimate his value when his sales are compared with the potential sales in a definite territory.

3. To meet competition effectively. Territories must be laid out as sectors of a battlefield and definite men be assigned to defend each one. If this were not done, sales would soon become "spotty" and uneven.

4. To enable a firm to get and hold good salesmen. If a man is given a territory for his own and assured that he will receive credit for all sales made therein, he will cultivate that territory with an eye to future business. He will not be content to pick up the business available at the moment, but will plan ahead and develop good-will which will yield a harvest later. As most firms realize that a salesman increases steadily in his value to the firm under these conditions, most of them deem it a wise policy to enable him to feel sure of his territory.

5. To avoid a high failure rate among salesmen and agencies. If territories were not laid out scientifically and with some idea of equalizing opportunities for the men, there would unavoidably be many failures, as salesmen and agencies would be competing vigorously with each other in territories where there was not sufficient business for all. This would give the firm a bad reputation and make it more difficult to secure good representatives.

6. To cover the country as evenly as possible. If each salesman were allowed to sell where he wished, there might be a rush for Southern California while North Dakota might be utterly neglected. This would result in leaving gaps in the defenses, of which competitors would promptly take advantage. Territory must be covered in an organized fashion if consumers or dealers are to be kept satisfied. Likewise, where service is a factor, the distribution must be general enough to place this service within the reach of all.

7. To make it possible to develop a raw territory into a productive one. If the territory were not controlled from headquarters, salesmen would avoid undeveloped territory. But by handling this territory in a different manner from the older sections, a firm is able to bring sales up to a profitable point.

All this is not designed as a criticism of Mr. Ford's policy, but it is the purpose of the foregoing discussion to show the reasons why most firms have held to the policy of assigning definite territories. With a product as well known as Mr. Ford's, with as little competition, and with as wide distribution obtained under the other plan, it might be possible to remove territorial barriers and make the fight for business a free-for-all

among all the agencies and salesmen, but for most products it would probably be unwise.

Proceeding on the assumption that we are to lay out our territories and assign them to definite representatives, we find that the problem resolves itself logically into two questions: (1) according to what principles should these territories be laid out, and (2) how may each best be covered?

Laying Out the Territory.—The old-fashioned custom in laying out a large territory was to divide it on state lines, giving one man Pennsylvania, another Ohio, another three or four Western States, and so on. This was the line of least resistance, for the maps were printed on that basis and it made things simpler. But wide-awake concerns soon saw that states were different in the amount of business they could produce, and furthermore, railroad lines were not laid out to correspond with political divisions. So the state has ceased to be the unit with many firms, unless they are operating branches and sub-agencies which cover the country very thoroughly.

As a territorial unit the county is much more satisfactory than the state, for by using it as a unit, territories may be built up to fit selling conditions. A county may be detached from one man's territory and added to another's if good reasons appear, and territories may thus be kept flexible to meet changing conditions of transportation, competition, or demand.

Some firms have made a practice of sending a salesman into each city over a certain size, as 75,000 or 2,500. They have arrived at this figure more or less arbitrarily, perhaps because once or twice they failed to sell satisfactory volume in smaller places. When they adopt the county as the unit, they immediately are forced to recognize the adjacent trading area, which may double the population of the city as far as buying power is concerned. This is particularly true in the West where the population of the trading area may equal or exceed the population of the city. In the East where cities are closer together, this is not so likely to be the case, and Eastern sales managers often overlook sales possibilities of this kind.

Assuming that we have adopted the county as our chief territorial unit for a nation-wide sales organization, how do we determine how many and which counties a salesman should be as-

signed? This should be done, of course, on a basis of careful analysis of the factors involved.

The Chief Factors in Allotting Territories.—The first factor which must be considered is the number of prospects in each county. Many firms, even yet, make no effort to gather and tabulate this information, depending entirely upon the salesman's knowledge of his territory, which, being first-hand, should be reliable. Yet there are few salesmen who really know their territories,—who have the proper perspective. They are likely to get into a rut, calling on the same customers, making few investigations of new businesses, general conditions, or significant changes in the territory. They are too close to their territory to see it all at once, and often in too big a hurry to catch a train to do much investigating. They know the hotel clerk, they know their customers, and that is about all. This is not intended as a criticism of the average salesman. His job is to sell goods and he usually has scant leisure for large-scale investigations and analyses. It is the task of the sales manager to help him obtain and use this information in order that he may be able to sell more.

This is not the place for an exhaustive discussion of market analysis. This topic has been ably treated by other writers.[1] But it is the place to indicate something of the use which the sales manager may make of the facts obtained by such an analysis.

In the first place, tact must be exercised in bringing the facts to the attention of the salesman. It must be remembered that the facts may be wrong and the salesman right. For example, investigation may have indicated that there were four cotton mills listed in a certain town, when the salesman knows that one of them has been closed down for three months. Care must be taken not to give the impression that some twenty-dollar-a-week clerk at headquarters is trying to tell the salesman about *his* territory. The facts must be verified if possible before being presented.

The necessity for careful territorial analysis does not usually arise until a concern has attained some size. In other words,

[1] PERCIVAL WHITE, "Market Analysis," McGraw-Hill Book Co.

most firms grow into the problem, having started from a modest beginning where one or two salesmen could bring in all the business the factory was prepared to handle. These salesmen sold where they could, usually hitting the high spots, skimming the cream, trying for the big orders only. As more men were added to the sales force, definite territories were allotted, usually based on state boundaries, until the time came when the sales manager was compelled to face the problem of revising his territorial assignments because of the obvious fact that many sales were being lost on account of the inability of the salesmen to cover their entire territories.

Frequency of Salesman's Calls.—Having determined the number of prospects in the territory, the second point is to fix the number of times each must be seen in a year. This, obviously, applies only to staple selling. If it is necessary to call once in two weeks, as it may be in some lines, the territory must be much smaller than where it suffices to call twice a year. The frequency with which a customer must be seen depends somewhat upon competition also. It depends, too, upon the activity of the sales promotion department in keeping in touch with customers by mail between the visits of the salesman. By proper contact of this kind, the period between calls may be appreciably lengthened, enabling a salesman to cover much more territory.

Number of Calls Salesman Can Make.—The third, and perhaps the most difficult factor to determine, is the number of calls the salesman can make in a given time, as a day or a week. When this is found, it becomes rather a simple mathematical calculation to fix the boundaries of the territory.

It may be stated without fear of contradiction that most salesmen make too few calls. One writer insists that most salesmen could increase their sales from 50 to 100 per cent simply by working four hours a day instead of two![2] He estimates that few salesmen spend more than two hours a day in the presence of prospects, and this calculation is for city salesmen and not for men on the road. The Addressograph Company some time ago issued an edict that each salesman must make a minimum of

[2] GEORGE W. GETHER, "Making a Fortune on Four Hours a Day," *Printers' Ink*, Jan. 19, 1922.

five calls each day. This was more than the men had been making and sales increased forthwith.

Of course, where a man is on the road this may not be so applicable, but it does imply that he may be doing one of two things: either overlooking some prospects on whom he has time to call between trains, or else he is in too big a hurry to get on to the next town and is passing up some prospects for lack of time. This point links up closely with the first—the number of prospects in a territory—and is so fundamental that it warrants some elaboration.

The Average Territory Is Too Large.—The usual result of an analysis based on the three steps just outlined is that the sales manager will conclude that most of his salesmen are trying to cover too large territories. The opinions of some successful sales managers on this matter may prove of value.

It is a district sales manager speaking: [3]

"In the case of another concern, one man's territory covered a number of states. For three or four years his sales ran about the same, which the management considered equivalent to a decrease, inasmuch as the population had steadily increased in all the geographical units. Sales for the territory averaged around $65,000 a year. After a survey of the territory, the sales manager decided to make two territories out of what had been one, with a man in each. The division was made on a straight geographical basis. At the end of the first year one man sold slightly more than $50,000, while the other sold over $85,000, a total of $135,000, as against $65,000 when one man worked the territory alone."

A recent investigation among sales managers disclosed the fact that out of 99 questioned, 85 were cutting territories, seven were "standing pat," while only five were increasing the size of territories. The United Drug Company has been reducing the size of its salesmen's territories lately because the salesmen requested it, having learned that they could thus sell more. Heath & Milligan cut its territories in half before being taken over by the Glidden Company. The result was that the men doubled their quota. One man got $36,940 from one-half the territory which had previously produced $16,782 in sales. An Iowa salesman who had worked 43 counties was cut to 11 and produced

[3] *Printers' Ink*, p. 85, Aug. 25, 1921.

$8,000 more business from the 11 than he had from the 43. This experience is so common that further proof is needless.

Why Smaller Territories Yield More Sales.—The reasons behind this remarkable tendency are not far to seek. When a salesman is limited to a smaller territory he is forced to become better acquainted with its possibilities and is compelled to dig for new business. He unearths prospects on whom he never before considered it worth while to call; he discovers new outlets for his product. In these days the traditional retail outlets are undergoing rapid changes and it is not safe for a salesman to assume that his only prospects are drug stores or hardware stores. We find handkerchiefs and garters on sale at drug stores, automobile accessories at hardware stores, jewelry at clothing stores, watches at stationery stores, etc. It may be that the salesman can find many new outlets for his product if he takes time to search. It is often revealed by a survey that some salesmen avoid selling to certain types of retail establishments, while others sell this type almost exclusively. A paint manufacturer found that one of his salesmen avoided drug stores, while others sold large orders to them. By cutting down the first man's territory he was compelled to sell drug stores,—so he did.

There May Be Business in the Small Town.—Too often a salesman passes up the smaller towns because the hotel accommodations are not of the best, even though considerable business may be secured there. The H. D. Lee Mercantile Company, manufacturers of Lee Union-Alls, finds that much business can be obtained in small towns. The sales manager says:[4] "Last November our man called on a buyer in a small Idaho town of 402 population; in that hamlet he took one order for $2,520." A calendar salesman relates an experience illustrating the same point.[5] He was stranded in a tiny Montana town, had to sleep in the bunk of the night barkeep, and arose thoroughly disgusted with the whole place. But he started in at 8:15 in the morning and sold $670 worth of calendars before his train left at 9:30. His commissions were $167.50.

This intensive cultivation of territory is particularly de-

[4] *System*, March, 1920.
[5] "Salesology and the Sales Manager Monthly," February, 1922.

sirable in view of the high cost of traveling, which is such an important factor in selling cost.

The intensive cultivation of territory is much more essential in the case of nationally advertised articles than of unbranded products. The advertising is designed to bring inquiries, either to the factory or to the dealers. In the former case there should be salesmen enough to follow up and cash in on inquiries before interest cools. In the case of high-priced products like automobiles or furnaces, the advertising may awaken interest, but it is necessary to take advantage of this interest at once before it either cools or fastens upon some competing article. Where the inquiries are directed to the dealers, it is essential that the inquirers may easily find a dealer who handles the article.

One more bit of evidence may be introduced in favor of cutting the size of territories when analysis indicates this to be the wise course.[6]

"At the end of the first season carried out under this intensive cultivation plan a most amazing development occurred. More than half of the men requested that their territories be reduced in size. I expect that's a bit hard to believe, but the facts are correct. . . . Our men had the facts before them and they had to admit that they could not profitably cover a territory which obviously required two men to handle properly. But before I had evolved my analysis none of us had known the truth. The boys had hit the high places, frequently thereby passing over some of the richest sales valleys more through ignorance than intent. When they began to cover their field closely they found barrels of business within a much closer compass than they had thought possible. This appealed to them, since it kept expenses reduced and enabled them to spend more time with their families at home."

Assigning Territories to City Salesmen.—Some firms have been vigorous enough to assign territories even within a city and have been highly pleased with the results. One firm worked out a variation of this idea by assigning each man a definite territory of the city and compelling him to stay in it until he had called on every prospect. Then the men were all rotated, each being assigned a territory just worked by some other salesman, but being permitted to continue calling on customers obtained in the first territory. By this device each territory was combed

[6] *Printers' Ink*, p. 57, Feb. 15, 1917.

over thoroughly by every man on the sales force, with the result that a prospect who could not be sold by one was often easily closed by another salesman with a different approach and manner. Thus the entire city was gone over and at the end of the time each salesman had a list of customers larger than he would have secured by a hit-or-miss method of covering the city.

Experience of the Packard Company.—In the management of some of its branches the Packard Motor Company has taken the step of limiting territories. Usually critics of the idea point out that it might work with a low class of salesmen who were content to obey instructions without reasoning and who were held in line through fear of losing their jobs, but that it would not work satisfactorily with a high class of men who could easily obtain other positions. But the experience of the Packard Company seems to indicate that the plan may be successful even with the latter class of men.

The following account of their experience illustrates so many points involved in territorial readjustments that it is given in some detail.[7]

"The company, in looking around for an explanation of its increased selling costs ran into a nest of remarkable mileages that its salesmen rolled up in the course of a year. Investigation brought out the fact that an alarmingly large percentage of the salesman's time was spent in traveling between prospects and an alarmingly small percentage in productive work. The figures showed that a salesman traveled between three and five hundred miles a week; and this, together with figures garnered from salesmen's call reports and observation of salesmen's work, proved that less than half their time was spent in work that really counted. . . . Packard salesmen worked on the same plan existing with many specialties where the prospects are not definitely known in advance. The sales force operated on the principle of unrestricted territory within the limits of the Boston office, which extended west as far as Athol and on the north, east and south to the outer boundaries of the state. . . . After a study of the situation, the Packard people realized that there was a tremendous waste which there must be some way of avoiding. The result was an assignment of salesmen by territory. In effect it was the equivalent of making the salesman his own local agent in the territory which he was allotted. The sizes of territories and their locations were determined according to the sales possibilities of each and upon the salesman's capabilities. . . . There was plenty of opposition, but the plan went into effect. For a time it

[7] *Printers' Ink*, Nov. 20, 1919.

seemed that the objectors were right, for the sales curve took a sudden downward sweep. Some of the salesmen who had been good producers seemed to go dead. There were many head-shakings and 'I-told-you-so's,' but the management stuck to its guns. And events proved the plan was right. The top-notcher whose 'Life work was taken away from him' sold more trucks in nine months than he ever did in twelve. A passenger-car salesman in his new district, while he sold practically nothing in the first three months of the new plan, is now leading by fully twenty-five per cent the quota that would have been set for him under the old method. The total business of the company has jumped beyond expectations. The average number of calls per day has increased.

"But elimination of waste motion was not the only product of the plan. Previous tendencies had been to follow most vigorously those prospects close to the home office and neglect those in outlying districts. As a result, competition around the central office was very keen, while in outlying territory possible business was neglected or only half followed up. . . . But more than this, since he no longer has the stream of 'live tips' coming to him, the salesman has to *dig*. Under the old system there was practically no missionary work. It was a case of finding a man who was going to buy a truck or a car and selling him a Packard in preference to some other kind. The salesman now, in the truck division at least, finds the non-users in his territory who should be using motor transportation and proceeds to convert them to a new system of conveying. And to his surprise he finds it easier selling, because, instead of having to bid against a dozen other trucks, and finally have the sale go another way because a competitor is willing to allow fifty dollars more on the old vehicle, such sales are now frequently made with an entire absence of competition. . . . Previously old customers had been lost sight of. No one had the responsibility of following up owners who had bought from salesmen no longer with the organization. Purchasers located at a distance from town were rarely called upon. Merely through neglect many Packard owners drifted to other makes. The salesman has now, however, an incentive to cultivate all the owners in his district. . . . With the salesman's prospects now close together instead of being scattered over a whole state, the effect is to keep the representative working a longer day. While the salesman's commissions remain at the same rate, the selling expense has been reduced because of decreased overhead per unit. An important by-product of the new method was a stronger feeling of loyalty among the sales force. One of the greatest troubles has been dispensed with—disputes over the right-of-way on prospects and quarrels over credit for sales when, as often happens, two salesmen had worked on the prospect and both claimed credit on the grounds of priority. Each salesman now receives credit for all the business coming out of his territory."

Some Further Considerations.—Naturally, in working territory in this fashion, there will arise difficulties of adminis-

tration. For example, in this case there was sometimes confusion on account of the fact that a prospect had his residence in one territory and his place of business in another. In consequence Boston and its residential suburbs within a radius of about ten miles were made open territory, with several salesmen assigned to it as under the old basis.

In the laying out and assigning of metropolitan territory more attention may be paid to racial differences than in allotting larger areas. It frequently occurs that a section of the city is populated almost exclusively by Italians, Poles, or Greeks who can be best sold by a salesman speaking their language.

Sales managers should avail themselves of the services offered by many metropolitan newspapers in covering the city. This service embraces complete lists of dealers in every important line, together with credit ratings, class of customers, and maps showing the best way to cover the city. Often, also, the newspaper is prepared to send one of its men around with the salesman to introduce him to the dealers and help him make sales. Naturally, a newspaper offering such assistance would expect that the salesman's firm would do some advertising, although some of them are extremely generous with their market data. Where the newspaper has not undertaken a survey, it may be that the chamber of commerce or other local organization has done so.

Transportation Facilities.—An important factor in laying out territories is the transportation facilities. Postponing for the moment the discussion of automobiles for salesmen, let us consider the regular means of transportation, steam and electric lines. Travel routes fall under three general classifications: the weekly or semi-monthly swing used by men rotating regularly in a comparatively restricted territory; the seasonal route commonly employed by firms who travel men over a territory from two to four times a year; the special trip taken by emergency travelers or special salesmen.

The "Swing" Route.—Of these the swing is perhaps the most generally used by firms covering local areas. Theoretically it should require the least supervision because a man covering a small territory so frequently should learn the most efficient way of doing it. For this reason supervision tends to grow lax and the salesman is allowed to develop rather fixed habits,

which are often governed by his personal preferences for certain hotels and the companionship of fellow salesmen. He gets into a rut, calling on the same dealers each trip and spending the rest of his time at the hotel, writing, playing pool, or watching the parade from the hotel window. It is this spare time that needs checking up. Much good use can be made of it,—as trimming windows, calling on prospects not regularly seen, putting up signs, driving out to some small town off the regular route.

Manifestly, this supervision must be based on a careful analysis of the territory, so that the sales manager can present facts to offset the reasons of the salesman for doing as he does. The way one firm did this is as follows:

The first step was a listing of all villages, towns and cities of 500 and over. Then these towns were card indexed and on the face of the cards were noted the character of the town and its possible purchasing power estimated on tables of per capita wealth as taken from the U. S. Census figures. A list of retailers was then drawn off from Dun's and Bradstreet's and cross filed on cards by towns and by alphabet. Cards of two colors were used, one for customers and one for non-customers. The cards filed by towns were then grouped according to the "swings" and tabulated so that there was at hand, not an infallible, but at least a working basis for checking the results of the salesman against the sales possibilities of his territory.

This intensive analysis of the field revealed that in many cases towns had been lost sight of and also brought to light a gradual falling off of volume in places where increases should have been the rule. The study was made in the summer just prior to the fall selling season, and as the men were lining up their samples, they were, as opportunity offered, invited into the front office and asked to give their assistance in checking over their lists of towns.

No attempt was made at this time to argue any salesman out of any position he took on the possibilities of a town. All that the sales manager did was to record on the town card the salesman's opinion. The firm had now a list of towns, an estimate of their potential purchasing power, a record of business done, and the traveler's opinion of each town. It was therefore ready to start routing. In a number of cases the salesman had volun-

tarily black-listed a town and was not contradicted. Where this happened the town was taken from his list and placed in the nearest "swing." The result was that when the men started out, every man was scheduled for a complete list of towns every one of which was viewed from an impartial basis. A more intensive working of the territories brought greatly increased sales.

The use of maps with different colored tacks is a great aid in visualizing territorial conditions. The trouble with most map-and-tack systems is that they show only those towns where sales are made. After the survey has been completed, red tacks should be stuck in the map to indicate towns where there is potential business not yet secured, while green or yellow tacks can show those places where goods are sold. In most territories the red tacks will stand out so clearly that the truth is driven home to the salesman that he is not really exhausting the possibilities of his territory.

The Seasonal Route.—The seasonal route is a more complicated proposition than the "swing" and offers greater opportunity for error. This is due to the fact that the itinerary must often be changed to conform to local conditions. For example, a certain case may require immediate attention, so the salesman revises his schedule to make that town early on the trip. There are so many things entering into the laying out of such a route that it should be the result of conference between the sales manager and the salesman in the territory. Probably the best way to get the facts wanted is to ask for them, on the ground that the house wants them in case the salesman should be taken suddenly ill and a substitute be sent out to take his place. This is a reasonable request and almost any salesman will willingly furnish the desired information. The information has been acquired at the expense of the firm and therefore rightfully belongs to it.

The Special Trip.—The "special trip" salesman offers no problem to the firm that has properly handled the two previously named types of routes. If the sales manager has gathered the information as indicated and kept track of his men carefully, he will know just the weak points to which it is desirable to send a special salesman or "pinch hitter." This custom of using special men for filling in the gaps or bolstering up the sales of

weak or ill regulars is growing. There is sound logic behind it. In the first place, the new man is fresh; he brings a new point of view; he has not been previously turned down by the prospect. Furthermore, the prospect has not gone over with him all the reasons why he will not buy, and often buys rather than repeat the entire performance. The special salesman enjoys a sort of prestige with the buyer; the latter is flattered by the thought that the firm has sent a man to call especially on him. Another advantage of using the special salesman is that it keeps the regulars on their toes, because they know that if they overlook certain prospects or allow the sales to regular customers to fall below a certain figure, the sales manager will send a special man into the territory to do what they failed to accomplish.

This special selling work is usually taken care of by the sales manager himself or one of his assistants, although it may be handled by having a regular salesman from another territory go a trifle out of his way to tackle some hard prospect. Where this last method is used care must be exercised to see that it does not arouse jealousies and strife between the men. It should be more nearly on a voluntary basis; that is, the salesman should ask his colleague to "come over into Macedonia and help us."

A few large concerns keep one or two men for this special selling, using them also as sort of supervisors of territory.

Making Readjustments in Territory.—When readjustments of territory are found necessary, discretion must be exercised in putting the idea up to the salesman whose territory is to be reduced. One way to persuade him that the change will not injure him is to guarantee him that his income will not be diminished. Another way is to raise his salary when the reduction in territory takes place. In general, however, a careful statement of the facts will be sufficient, if these facts are as reliable as they ought to be. They will show lower traveling expenses, more time with the family, and an increasing business due to possible missionary work in the smaller territory. The Baker-Vawter Company made a market survey in coöperation with several non-competitive concerns selling to similar prospects. The findings of the survey were published in a booklet which was used to help convince the salesmen that their territories were too large.

Of course one solution of the too-large territory may be the introduction of junior salesmen to assist the regular man. Under this arrangement the salesman gets a small percentage of the sales made by each junior, but it is obvious that the sales in the territory would have to be increased before it would pay to put them on.

Sometimes a territory is divided in another way. The regular salesman might be strong in selling city customers but weak on small-town prospects, or *vice versa*. Under these conditions a second salesman might be introduced to cover the class of towns the regular man could not handle well. This would not pay except in those sections where towns were close together, as otherwise traveling expenses would mount too high.

Routing Salesmen on a Set Schedule.—The question of operating salesmen on a set schedule has two sides. One camp proclaims that the men can be routed on a definite schedule, while the other points out that such a practice is an insult to the men, and furthermore, that it is impossible.

John Brace, who has re-routed men for many large concerns, such as the Beech-Nut Packing Company, the American Tobacco Company, etc., says, "There is no sales organization in the country that cannot increase its volume from 50 to 80 per cent by a systematic re-routing of salesmen by an experienced railroad man."[8] Mr. Brace advocates the hiring of an alert young clerk from the information desk of some railroad company and letting him work out schedules on the basis of the number of calls in a town and the train schedules. Try out the plan for a couple of months, he says, and make the salesman write a letter of explanation every time he deviates from his schedule. Finally he will exhaust his excuses and stick to his schedule. This scheme can be applied to specialty selling as well as staples, insists Mr. Brace. Under such a plan the country would be divided into "routes," each numbered and indicated on maps. Thus a man's "territory" might include "routes" 4, 5, and 6.

Other firms confine their routing to furnishing the salesman with complete information regarding trade possibilities, transportation facilities, time tables, etc., and request that the men

[8] *Printers' Ink*, Jan. 27, 1916.

work out their routes from this. Then if the men depart from this route they are placed on the defensive and must give reasons for the variation.

It is usually desirable to arrange a man's territory so that he can get home as often as possible. This sounds elementary, but the point has frequently been disregarded. One sales manager, on taking hold of a new job, found that the men's territories had been arranged in concentric circles about the general headquarters, where all the men lived. Thus, to reach their territories most of the men were compelled to cross the territories of several other men. This appeared like a waste of good carfare to the sales manager, who re-routed the men so that their routes centered in the factory city like petals of a daisy. Thus each could cover his territory without crossing that of anyone else and could also put in his entire trip selling instead of spending a day or more of each week traveling to and from his territory.

Sometimes a salesman carries a heavy line of samples and finds it unprofitable to make the smaller towns. Under these conditions a compromise may be worked out by which the dealers in the smaller places journey to the nearest city, where the salesman can display his samples to good advantage. Of course the expenses of these dealers to and from the city are paid by the salesman's firm. Often the dealers in the smaller towns are glad to make the trip to the city, and naturally feel under some obligation to buy. It is important to fix the schedule so that the day for such assemblings is convenient for the small town merchant.

Covering Territories with Automobiles.—With the increase in traveling expenses during the war, many firms furnished their men with automobiles. For years the automobile had been used by salesmen, but the doubled expenses of traveling by rail compelled sales managers to give the matter their careful attention sooner than they otherwise would have done.

It will not be our purpose here to prove that any given firm should use one means or the other in covering its territory. That is an individual matter, governed chiefly by costs. We must be content with pointing out some of the general principles involved.

Advantages of Using Automobiles.—The advocates of the automobile for salesmen insist that it has these definite advantages over travel by rail:

1. It enables the salesman to make a greater number of calls per day and consequently increases the amount of goods he can sell. In a recent questionnaire sent out to 46 sales managers, 29 said that the increased sales justified the extra expense of the automobiles, 13 said they did not, while four were doubtful. This is a matter which each firm must work out for itself on a basis of costs, but it seems certain that a salesman in an automobile can make more calls under most conditions than can a man dependent on train service. And scientific sales managers have thoroughly learned the lesson that, other things being equal, the salesman who makes the most calls will sell the most goods.

2. A second advantage is that the automobile enables salesmen to reach otherwise inaccessible customers. The testimony of the sales manager of the H. D. Lee Company is interesting as illustrating both these points.[9]

"We have demonstrated that each salesman's sales increase from 40 to 100 per cent as soon as he begins to operate a motor car. This is because he makes six or eight towns a day, where he formerly made from one to four. . . . Take, for instance, the state of Idaho. The first of 1918 we had 112 accounts, all of which could be reached by train only. After we equipped a salesman with a car, he has been able to reach 319 accounts, of which over 100 are in towns off the railroad. Mallad City cannot be reached from the Idaho side, except by motor. In 1918 we had no account there. In 1919 we had three accounts, with a total of $1,629.50 worth of business. . . . Our central Missouri representative recently called on a buyer nine miles from a railroad. The merchant told him that except for one grocery salesman our man had been the only salesman who had called on him in the past four months. Our Eastern Iowa representative has recently made calls in towns that do not show on the map. Each town has just one store, but he got business in every one of them, his average order amounting to about $80.00. . . . It seems that the farther removed from the beaten path a dealer may be, the more receptive he is to sales efforts. A dealer who is not harassed constantly by salesmen will be found in a more pleasant frame of mind than one who is being hounded daily. The small merchant is usually ready to give a glad hand to any salesman who is wide awake enough to call on him and solicit his business. It is an event of importance for the average small-town mer-

[9] *System*, March, 1920.

chant to see new faces and hear messages from the outside world which he seldom visits."

3. There is an advertising value in an automobile, bearing the name of the firm or the product. In addition to the purely advertising feature there is a prestige which makes for sales. The salesman who can drive up to his prospect's place of business in a car, particularly in the smaller towns, enjoys a standing not shared by his brother-salesman who walks up from the station lugging his sample cases.

4. There is a service value in using automobiles. A salesman can perform little services for his customers, as are performed by the salesmen for one house, who are instructed always to stop at the freight depot when they enter a town and inquire whether there is any freight for their customer. If there is, they telephone and learn whether the customer wishes them to load it on and play drayman. This of course builds good will. Often, too, a salesman can deliver packages to farmers along his route, or carry a parcel to the next town. It is hard for a merchant to refuse such a salesman an order.

5. The salesmen are enabled to carry a more complete line of samples than when they travel by train. Not only this, but they can often carry a stock of the commodity and let the customer have a small supply if it seems necessary.

Objections to Using Automobiles.—Now what objections are raised to the use of automobiles by salesmen?

1. The chief one is the expense. Most firms believe that it costs more to travel men via auto than by train. Figuring depreciation, maintenance, insurance, etc., it is likely that this is true in most instances. The matter should be settled, however, on a basis of unit costs, because the increased business may compensate for the added costs. The cost of operating a car, including all costs, is probably not often less than $50 a month, and often more.

2. Another objection often raised is that the possession of a car tempts a salesman to neglect his business. He may take a notion to joy-ride a bit, or to pick up companions not wholly desirable.

3. Perhaps one of the chief objections is the difficulty of

control over the situation. The sales manager feels that when he sends a man out into the field with a car he has lost his grip on the situation. The expense account may present problems not hitherto encountered. Whereas under the old regime things had been pretty well settled, now there are many new items included. How much gasoline should he need? How much ought repairs to cost? Isn't this garage bill too high? Is it really eighty-five miles by road from Smithville to Jonestown? Is this detour put in for the purpose of padding his gasoline expense account?

In other words, the average sales manager does not possess sufficient information on the subject to feel sure of himself in handling the situation. For this reason a variety of methods are being tried. Some firms own their cars and rent them to the men. Others own the cars and allow the men a fixed sum for operation. Others own the cars and have their men send in itemized expense accounts covering operation. Others sell the cars to the men and then rent them, either for a fixed sum or by the mile. Others simply pay the men liberally enough so that they can afford to own and operate their own cars. There is no uniformity of practice, but these are the chief ways used, unless we include the practice of some firms in having their men travel by rail most of the time and hire automobiles to reach certain inaccessible places. It is not necessary that a firm use one method with all its men. For instance, where a man already owns a car, he may be allowed to use it, the firm paying him for its use.

The policy used in controlling the salesmen in this matter depends largely upon the closeness with which the manager is in touch with them, and upon the class of salesmen employed. If the territory is compact and the men come in every week or so, it is comparatively easy to check up, whereas, when the men are working a thousand miles away it is more difficult. Also, if it is the practice to hire men who require close supervision in all matters, they will need checking up here as well.

There are certain legal angles to the case which should be investigated before salesmen are sent out in machines. Complications may arise if the salesman gives a friend a lift and an accident occurs. The firm may be held liable. Insurance must

be looked after carefully. It is wise to obtain competent legal counsel on these matters.

Cheap or More Expensive Cars?—Probably more Fords are used by salesmen than any other make of car. This is due largely to their low initial cost and low depreciation cost, as well as to the ease of obtaining repairs. Unquestionably the Ford is a staunch little car, able to carry its driver about any place another car will. There are some sales managers, however, who have felt that there were certain advantages in the use of somewhat larger, more expensive cars.

In the first place they feel that the larger car lends prestige to the firm.

Secondly, they feel that it gives the salesman a needed confidence and assurance to drive a larger car. He is likely to hold his head a little higher, feel a little surer of himself, than if he is numbered with the multitude of small car drivers.

Thirdly, some claim that other cars are easier to drive and to ride in; that they steer easier, and that they do not tire their passengers so much, so a salesman is physically and nervously in better condition to meet his trade after a drive over a stretch of bad road. Friends of the humble Ford deny this point, insisting that, properly equipped, their car rides more easily than most big cars over country roads.

Where Should Automobiles Be Used?—As to the conditions under which it is wise to use automobiles, the following points may be mentioned:

1. In suburban districts of large cities they may be used to advantage. One authority says that a salesman, working out of a well-populated mercantile center can cover three times as much territory with a machine as by rail.

2. In congested districts of the cities the automobile cannot be used. Parking regulations and the difficulty of getting through the traffic jam are the chief reasons for this.

3. Where the product sells to customers in small towns the automobile is a real advantage. Many of these towns are off the railroad and can be reached only by auto.

4. Where the product sells to exclusive agencies it is likely that the automobile can be used if the samples are not too bulky. This is because the salesman, after selling the one dealer in the

town, is compelled to wait perhaps hours for his train, while he could move on to the next town easily with a car.

5. Obviously, the condition of the roads is a factor. The chief application of this principle has to do with seasonal conditions. In some sections the roads are well-nigh impassable in winter, while the rainy season in other parts of the country may have the same result.

6. The distance between prospects is a fundamental factor. If the distances are great, the automobile is inferior to the train. Under these conditions the salesman may do much of his traveling at night, leaving his days free for selling work.

7. The size of the sample kit is another factor. If it is too large, requiring several trunks, the automobile may not be suitable, although some firms use it even under these conditions.

8. Lastly, the costs of traveling by rail, changing as they have recently, is a determinant. If they should drop 50 per cent, the use of automobiles by salesmen would decrease greatly.

CHAPTER VI

COMPENSATION

In its general outlines the problem of choosing a system of compensation for salesmen is similar to that of selecting a method of wage payment for other types of employees. From the viewpoint of the employer of any class of labor, a determining consideration in paying his "help" is to help to make profits for himself, and that system or method of payment which yields the greatest net profits in the long run is most to be desired.

But this ideal—greatest net profits in the long run—is capable of analysis. Let us break it up into its elements and discover what these elements are and in what proportions they are found.

Objects of a System of Compensation.—1. It should attract to the organization the type of men desired. If it is desired to hire plodders without initiative or high hopes for the future, a different method of compensation will be used than if it is the aim to build up a force of self-reliant representatives, eager to grasp every opportunity to better themselves through increasing their value to the house.

2. It should be reasonably easy to administer. Some systems are so complicated that, while they may be desirable in some ways, they are little used.

3. It should be absolutely fair and impartial. Any system resting entirely upon the judgment of the employer is apt to be faulty in this particular, as the judgment of no man is infallible.

4. It should provide payment or reward for doing what the employer wishes to have done. He may wish merely volume, or he may want the salesman to perform "missionary" work like trimming windows, making towns where the volume of business does not yet cover expenses, etc., or he may wish immediate

profits. His system of compensation can be so devised as to obtain just the type of effort from the salesmen that may be desired.

It should keep the salesmen on the job and satisfied. Dissatisfaction mars the efficiency of a salesman more than any other type of worker, for his effectiveness depends so largely upon the mental attitude, the spirit with which he approaches his work. The dissatisfied worker may possibly run a wheelbarrow, wield a shovel, or feed a machine almost as well as the happy workman. But the salesman is dealing with psychological values and intangibles, and he simply cannot put his proposition across unless he can muster some genuine enthusiasm for the house as well as for the product.

Problems Peculiar to Paying Salesmen.—These objects ought to be attained by a system of compensation for any type of workers. There are some problems which arise in paying salesmen which are, however, peculiarly difficult. The salesman is often more temperamental than the desk worker or the manual laborer, for which reason the method of payment may be quite as important to him as the amount paid. There is actually a possibility of paying a salesman too much and dulling his effectiveness. This danger is perhaps not so great, however, as when dealing with employees of lower grades of intelligence and with lower standards of living. Salesmen can, for the most part, use a little more money and use it wisely.

It is fundamental that the sales manager should make a careful analysis of the requirements attaching to the positions he has to offer before he adopts any system of compensation. It is as unwise to employ too high a grade of salesmen as it is to hire too low a grade. One large concern discovered that their system of compensation attracted, but did not retain, high class, ambitious men when the real need was for pluggers with little vision.

Another reason for the acuteness of the problem in some organizations is that the system of compensation was devised in a time when selling was extremely difficult, and later, after the product became better known and sales came easier, the old system was retained, working great injustice to the employer.

Since the war ended and it became apparent that we might

expect a return of a buyer's market, the problem of compensation has grown in importance. One writer states:[1]

"At no time in the years in which I have studied existing systems of payment of salesmen has the general interest been so intense. In my conferences with over 150 of our largest employers of salesmen and in the more than 2,000 letters that have supplemented these conferences there has been frank confession of the truth that unless some sound method is secured, many highly effective sales organizations will be shot to pieces by any substantial decrease in sales totals."

Kinds of Compensation Plans.—There are a good many different methods of paying salesmen, no one of which can be termed "the best" under all conditions. This is a point which we should keep clearly in mind throughout the discussion; we are not searching for a panacea which will effect a cure in all sales organizations. As one authority puts it:[2]

"There is no one best method. Practically every method in use has its elements of strength, and each is advisable under appropriate circumstances. Likewise, every method in use has its limitations and is undesirable, under certain other conditions. Too frequently executives, deeply impressed with the success achieved by the plan in use by some other firm, have copied the plan and have endeavored to introduce it in their own businesses. In many cases this has been a mistake. Simply because a plan has worked well and secured desirable results in one line of business or with one firm, is no indication that it will prove equally successful in other lines of business, operating under dissimilar circumstances."

The purpose of this chapter, then, is merely to explain the chief methods from which a choice may be made, and to indicate some of the strong and weak points connected with each, together with some of the conditions under which each might or might not operate satisfactorily.

It should be kept in mind that, no matter what choice of methods is finally made, it must rest back upon a careful analysis of the territory to be covered. Facts and figures must be available which will tell how many dollars' worth of sales each territory is capable of yielding, how expensive it is to cover, the

[1] "What Is the Best Way to Pay Salesmen?", *System*, November, 1920.
[2] "How Shall We Pay Our Salesmen?", *System*, October, 1921.

increase in business to be reasonably expected, the type of prospect to be called on, competition, etc.

Four Main Kinds of Compensation Plans.—There are really but four fundamental principles involved: wage payment on a time basis, a commission on sales, profit-sharing, and a bonus based on some variation of the point system.

These four principles may be combined in a great variety of systems, but the sales manager should keep in mind that in no system, however complicated, are there likely to be involved more than three and usually not more than two of the above-named elements. The problem is one of emphasis with most sales managers. If they wish to emphasize volume, perhaps commission will secure it. If it is developmental work that is desired, a salary will probably get it done. And so on through the list. The system must be worked out to fit the type of salesmen and the kind of work he is supposed to do.

No matter what system is adopted, it must be sold to the salesmen the same as any other policy of the firm. No system will operate automatically. A system is successful only when it induces the salesmen to perform the work desired by the sales manager, and the salesmen will not do this unless they are persuaded that it is to their interests and those of the house to do so. It is a problem in applied psychology, not in mechanics or mathematics.

Straight Salary.—"The method of paying salesmen a salary and expenses is the oldest and probably the most prevalent."[3]

"Until recently the straight salary was regarded as the best all-round plan of paying salesmen. Probably it is still the most extensively used of all systems."[4]

Reasons for Its Popularity.—The reasons for this popularity are not far to seek.

(a) It is simple. Bookkeeping is reduced to a minimum and it is easy to install. It corresponds to the daily or weekly wage

[3] JOHN G. JONES, "Salesmanship and Sales Management," p. 282.

[4] "How Shall I Pay My Salesmen Under Present Conditions?" *Printers' Ink*, p. 3, April 7, 1921.

of the manual laborer, which is the next step up from serfdom.

(b) It facilitates the making of budgets and financing operations. The treasurer can estimate closely the exact amount necessary to cover salesmen's salaries and expenses.

(c) It gives the sales manager greater control over his men than any other method. This is perhaps the most important advantage of the method. When salesmen are employed to do work which is largely missionary in character the straight salary is about the most feasible plan of payment. Thus a salesman may be put into an undeveloped territory where he will be expected to call on many dealers who will not order, to visit many towns where the business is too small at first to pay the firm a profit, to help the new dealers in many ways, as in trimming windows, giving demonstrations to the local trade, making adjustments or collections. It is not expected that his efforts will result in immediate sales, but they are supposed to build good will for the future. If he were under the necessity of selling enough each day to pay his salary, he would be inclined to overcrowd the dealer, to overstock him, to try only for the large sales. The theory is that when it is desired to have the salesman assume the rôle of "ambassador of the house" he will best perform this function when guaranteed a steady income. The control exercised by the sales manager is complete in other ways. He can exact detailed reports; he can insist that his men work Saturdays.

(d) It offers the salesman a certain and assured income. There are many men who cannot do their best work under a strain. When anxious about the rent, or the building and loan payment, they cannot sell goods as well as when relieved from these and similar financial worries.

Another condition under which the salary often operates successfully is in the selling of well-known staples. It may be wise to supplement it with a bonus of some kind, but many firms are pleased with the workings of the straight salary where the work is largely routine, as calling on grocers every ten days and filling in the gaps in their stocks of advertised, fast-moving goods.

Disadvantages of Straight Salary.—In spite of these advantages of the straight salary method of payment, it has been

losing ground steadily. The chief drawbacks may be outlined thus:

(a) It does not furnish a strong incentive to push sales, it does not offer sufficient inducement to increase volume, nor does it develop the initiative of a salesman as some other systems do. J. George Frederick states:

"The straight salary plan is wrong in principle. Although it does to some degree make ambassadors and business developers out of salesmen, the tendency is too extreme in this direction. Straight salary men are too sure of their income; too much tempted to report progress and development rather than fight through to a larger record of actual sales." [5]

(b) It involves considerable financial risk on the part of the employer. If the salesman does not make good, he loses nothing and the firm loses his salary. Many employers feel that salesmen as a class are business men enough to assume a share of the risk involved in placing a proposition on the market.

(c) In spite of its apparent simplicity, the straight salary plan is not always easy to administer. The tendency is to adopt, consciously or unconsciously, a policy of raising the salaries of all good men $25 to $50 a month the first of each year. This policy often develops when the firm is new and the salesmen are young fellows who have started out at a modest salary in the hope of advancement as the business might grow. But this policy cannot continue indefinitely, for after five years or so it imposes an unreasonable burden upon the firm. The salesman's living expenses, however, have increased with his income, so that even though he is getting $500 to $600 a month, he can see just where he is going to use the extra $25 a month which he will receive next year. If he does not receive it, he is likely to become discouraged. He may grow indifferent, and either settle down to a pace just fast enough to hold his job or he will cast about for a new connection. The thought that his employers think that he has reached his limit may prove disastrous; it may mark the beginning of the end for him; his initiative dies with his hopes.

Concerning the difficulty of administering this system, one writer says:

[5] J. G. FREDERICK, "Modern Sales Management," chap. 13.

"The reason for the change (abandoning the salary basis) was the growing distaste of its management for annual adjustments of salary on the basis of sales of each man for the preceding year. These adjustments ranged from salary increases gladly given and welcomed with surprise to battles stopping only short of intimate personalities." [6]

If it is deemed wise to place salesmen on a salary basis, it should be the duty of the sales manager to keep his men "on their toes" by every means at his command other than immediate financial reward. Above all, he should let the salesmen know definitely just what they must do to merit an increase in salary.

Automatic Salary Increase.—Perhaps it is the custom to figure the salesman's salary and expenses as amounting to a certain percentage, as 10 per cent, of the gross sales. Then, when the sales in a man's territory increase, he is entitled next year to a salary which, coupled with his expenses, will equal about 10 per cent of his sales. The disadvantage of this system is that the firm is always a little ahead of the game. That is, if the salesman is increasing his business, he is selling more each year than he gets paid for. Of course, when sales decline in volume the salesman evens things up by selling less than his salary warrants.

Some firms have devised an automatic basis for salary increases, to smooth over the rough places of the dreaded adjustment period. A quota is set for each man. Assume a man is expected to sell $100,000 worth of goods, and his salary plus expenses are supposed to be 10 per cent of this amount. Thus he would receive $10,000 as salary, out of which he would pay his own expenses. Suppose he sold $120,000 worth of goods, he would receive 5 per cent commission on the extra $20,000 worth, or $1,000 extra for the year. Next year his salary would be $11,000 and he would be expected to sell $120,000 worth of goods to earn it.[7] The advocate of this method, C. C. Cobb, Sales Manager of the Conklin Pen Manufacturing Company, tells us that when this article was written no man's salary had been lowered under this arrangement.

[6] "What Is the Best Way to Pay Salesmen?" *System*, November, 1920.

[7] "Making Salesmen's Raises Automatic," *Advertising and Selling*, p. 9, August, 1915.

It seems logical, however, to believe that such a system would be satisfactory only while the price level remained fairly uniform. With a rising price level it would work unfairly to the firm, while with a falling price level it works hardship on the salesman. Perhaps this difficulty could be overcome by substituting some other unit of measure for the dollar, as, for example, gross, or pounds, or carloads. This latter method would be workable only when the line was simple and easily measured.

Straight Commission.—Next to the straight salary, the system of compensation most widely used is probably some form of commission. There are many varieties of commission, but in the discussion here we are assuming the commission on total sales in terms of dollars.

Its Advantages.—Among the advantages of the flat commission form of compensation may be mentioned:

(a) It furnishes a powerful financial incentive for the salesman to sell. The salesman is virtually in business for himself, as keenly interested in selling his company's products as any executive could be. The more he sells, the more he earns. This arrangement would seem to be an ideal one for both parties, as a large volume of sales is usually the aim of the sales manager.

(b) It is simple to administer. There is little debate as to how much the salesman is entitled to each month, as he can check up on the house and be sure he is receiving his full due. Bookkeeping is not complicated, for the salesman usually pays his own expenses under this system, and the bookkeeper needs only to draw a check for, say, 10 per cent of the month's sales made by each man. Salesmen are not continually demanding a higher rate of commission. Altogether, it is about the easiest way out for the sales manager who is disinclined to set himself the task of devising a compensation system to suit his needs.

(c) It is easy to finance. A sales manager usually has in mind a certain percentage of gross sales which he can afford to pay out in the form of compensation. When the men sell on a flat commission, this percentage is automatically fixed, and the company is not obliged to finance the sales force through a dull period, as is the case often where the straight salary is used. Some sales managers argue that, no matter what form is used, the amount expended for salesmen's compensation

usually approximates very closely this fixed percentage of gross sales. Granting this, they contend that it is better to pay it out at once in the form of commission and be done with it.

Disadvantages of Straight Commission.—On the other hand, there are weaknesses in the flat commission system. As one sales manager of twenty-five years' experience puts it:

> "The uncompromising believers in payment solely by commissions on sales have not proved their contention."

These weaknesses may be summed up as follows:

(a) Perhaps the outstanding defect in actual operation is that it glorifies volume of sales above all else. In other words, it works too well in stimulating sales, at least for the time-being. The salesman in his eagerness to sell goods, is tempted to oversell his customer, to push him too hard, to sell him something which perhaps is not exactly what he ought to have. The salesman who leaves in his wake a trail of dissatisfied dealers is storing up trouble for himself or for his successor. Of course, the exponents of the commission plan contend that no salesman in his right mind would deliberately lessen his chances for future sales, but as a matter of fact they sometimes do, either because they do not expect to be long with the firm, or merely because it is human nature to prefer a bird in the hand to two in the bush.

(b) There is a tendency for the salesman on commission to work his territory only superficially, skimming the cream, picking up the easy orders and leaving the hard-to-get business. He tends to call chiefly on the big buyers and to neglect the little fellows who may be big buyers later.

(c) The control of the house over the activities of the salesman is greatly weakened under this system. The salesman feels that he owns his territory and is free to work it as he wishes. If he is disinclined to work Mondays and Saturdays, he lays off. If he is asked to stay over in a town and help a dealer solve some of his problems, he resents it strongly, and is apt to express the opinion that his business is *selling*, not writing advertisements or trimming windows. If he is requested to visit a town where no large orders are to be anticipated, he feels that the sales manager is exceeding his authority. In a way the

salesman is justified in this attitude, for he is usually paying his own expenses and, of course, assuming any losses through idleness. The firm does not feel so free to ask a salesman on commission to make out reports of various kinds as if he were on a salary.

(d) When the commission salesman has a large line and the rate on each item is the same, he is likely to sell chiefly those items which are easiest to sell, neglecting those which are harder to sell: This may not be at all to the advantage of the house, for the profit on the "easy-to-sell" items is likely to be low. Besides, there may be other good reasons why the firm wishes him to push the articles which are not easy to sell at the time.

(e) There are many men who cannot do their best work unless they are assured of a certain, dependable income. The commission salesman's income is uncertain, and if he is inclined to worry, this fact may impair his efficiency. The same may apply to young salesmen just starting out. They do not make a bare living at first, perhaps, and in this way either become over-eager to sell and fail on account of this very over-eagerness, or they grow discouraged and fail. Old, experienced salesmen who know their ability often prefer the commission form, as they feel sure of an adequate income.

(f) If the salesman is permitted to cut prices, that is, to use his own judgment in the quotation of prices, the commission basis of payment is apt to prove unsatisfactory. Business bought at a price which yields scant profit to the house is not worth booking.

(g) It is not so easy to administer sometimes as it appears on the surface. Territorial infringements are not uncommon, one salesman sneaks into another's territory. Adjusting these cases is not pleasant work for the sales manager.

(h) It encourages "discount slipping" or splitting commissions with the buyers. That is, the salesman may sell at a price lower than the list price, taking the loss himself. In other words, if he sells a bill of goods amounting to $100 and gets $10 as his commission, he agrees to pay the buyer $1, $2, or perhaps even $5 out of his commission when he comes around next time. It may perhaps be argued that this practice harms only the salesman and not the house, but this is not the case. It is

directly injurious to the house, as it eventually makes it necessary for the salesman indulging in the practice to seek another position, for when a salesman once starts splitting his commission the buyers compel him to give them a larger and larger percentage until his income is so diminished that it is inadequate. Then he quits his job and the firm is compelled to spend years bringing his territory back to normal. And it is hard to find a good salesman who cares to take over a territory whose buyers have been accustomed to dealing with a "discount splitter."

It Operates Best Under These Conditions.—The above indictments of the commission system are severe and raise the question: How can any firm succeed if it pays its men on that basis? As a matter of fact, the method is widely used by successful firms, but it operates best with a high class of salesmen, who do not oversell, loaf, slip discounts, refuse to coöperate in promotion work, etc. The scheme may work well for the introduction of new products, sold perhaps as a side-line. In this way many a concern has been able to place its product on the market with very little outlay for selling expense. The weaknesses of the system may be controlled by various devices, chiefly educational in character. The sales manager who pays his men by straight commission must make up his mind to exercise as close supervision over them as possible, although this supervision must be more tactful than is necessary with men on salary.

In spite of its age and wide use, there is a definite tendency away from the straight commission form of compensation.

Straight Commission with Drawing Account.—The drawing account is merely an advance to the salesman from the house of a part of the commission he is expected to earn. The salesman is authorized to "draw" upon the firm for a certain amount each month, and the amount he so draws is deducted from the commissions paid him at the end of the month. Theoretically, then, the amount of the drawing account is smaller than the expected commissions.

The drawing account was used more widely some years ago than it is to-day. One reason for the change is that more salesmen are now able to finance themselves than was formerly the case. Another reason is to be found in the dislike of employers

to financing a salesman without maintaining a closer control over him than this method gives. The average sales manager, if he is to pay out money to a salesman, whether that salesman sends in any orders or not, prefers to pay it out as salary so that he can control the activities of the salesman more definitely.

A further disadvantage of the drawing account is that it frequently happens that salesmen do not earn commissions equal to the amount they have drawn in advance. This is particularly true when the market is falling, as it did during 1921. A salesman who has failed to earn commissions equal to his drawing account is technically in debt to the firm for the difference and sometimes is expected to pay this debt. In any event, if he resigns or is discharged, the company's books show that he left their employ owing them money. This is embarrassing for the conscientious salesman, who may have done all that any man could have done in his situation. He may have willingly carried on missionary or developmental work, but it does not affect the balance against him.

Still another weakness of the drawing account is the fact that unscrupulous salesmen may obtain positions with more than one firm at a time, proceed to draw as liberally upon their drawing accounts as possible, and when the deception can no longer be maintained, disappear. This difficulty is not so common as it used to be, as sales managers are hiring with more care, and are also in closer touch with each other, so that the crooked salesman is more likely to be detected.

The idea back of the drawing account is that it offers an incentive to the salesman to get busy and earn sufficient commissions to repay the amount advanced him. In practice, however, this incentive is not very strong, in the opinion of many sales managers. With a high grade of salesmen the plan might not operate so poorly, but salesmen of this class are usually able to finance themselves on a straight commission basis without the aid of a drawing account.

Salary and Commission.—We have reviewed the strong and weak points of both the straight salary and the straight commission methods of compensation. Many firms, recognizing these points, attempt to retain the advantages of each by a judicious combination of the two. That is, they pay the sales-

man a basic salary, large enough for a bare subsistence, and then in addition pay him a commission on all sales. This is supposed to offer the salesman the assurance that he will have a steady income, to give the sales manager the necessary control over him, and at the same time to provide the incentive needed to induce him to work hard. The salesman's expenses may or may not be borne by the house. If it is desired to maintain strict control over him, the firm may pay his railroad expenses only.

In practice, this simple combination of salary and commission does not work out as satisfactorily as some other variations. It is a rare combination which results in a survival of only the strong points of each element. It is quite as likely that the disadvantages will persist.

Straight Profit-sharing.—One such plan offers the salesman a percentage of the gross profit remaining after deducting those selling expenses over which he has direct control. He may perhaps be allowed traveling expenses or a drawing account. In determining gross profit either of the two following bases of cost may be used: (1) actual cost of the merchandise, or (2) the actual cost plus some of the overhead. The second method is used when, for any reason, it is considered undesirable to allow the salesmen to know the cost of the goods they are selling. Of course, if this method is used the commission should be a trifle larger than under the first method.

It is necessary to prepare different sets of costs for the goods, as they will carry varying costs, depending on whether they are shipped direct, through branches, etc. When the salesman takes an order he should know the exact cost of the goods he is selling. Statements should be rendered about monthly to the salesmen, although they are usually furnished daily reports or copies of invoices for shipments. In this way they can keep account of the amount of the profit they are to share.

The sales manager should receive a percentage of the profits on all "house" accounts, but this percentage should be small and probably based on a sliding scale.

Advantages.—The system is alleged by its friends to possess certain clearly defined advantages, among which may be mentioned these:

1. It eliminates the unprofitable salesman automatically. If he does not make a good income, he resigns.

2. It avoids the dreaded annual sessions at which the sales manager and salesman decide on the latter's salary for the ensuing year.

3. Traveling and selling expenses are reduced and gross profits increased.

4. The salesmen, without urging, concentrate their efforts on selling the most profitable lines, for by this means they make the greatest income themselves. The men are virtually in business for themselves and take the same interest in promoting the progress of the firm as if they were owners.

5. Price cutting is reduced to a minimum. Where under a commission form there is constant temptation to slash prices, under this system any such cut would come entirely out of the salesman's own pocket; in consequence he does not usually cut the price.

Disadvantages.—Those not in favor of this form of profit-sharing point out that it gives too little control over the men; that it is but little if any better than straight commission in this particular. They will feel that they are even more their own task-masters than under most other forms of compensation.

A second disadvantage is said to be the added complications of bookkeeping involved. To figure the cost of each item in a large line is difficult, especially when those costs are rapidly changing. Many concerns do not have adequate accounting and record systems to determine these costs. It would seem that for a concern selling a wide line of products the system would be unwieldy. It operates better in selling a specialty or semi-specialty where the accounting is simpler.

Regarding profit-sharing schemes based upon the total profits of the concern, the same arguments apply as in the case of office workers, only perhaps more forcibly. That is, if each man is entitled to a share in $100,000 net profits made by the firm, this share being determined by his salary, commissions, gross sales, or in some such manner, the system does not accomplish all it is supposed to do. The share which each man draws from the fund is not necessarily equal to his value to the firm. For ex-

ample, his gross sales would not necessarily represent the value of a salesman to the firm. Under some such system as this, the better salesman, the more productive territories, are being levied upon to make up the deficit in others.

Furthermore, unless the salesmen are sure in their own minds that they will receive an absolutely square deal, they are not likely to get enthusiastic over the idea. Besides, in time of depression there would be no profits, and no employee likes to share the loss of his employer.

Group Plan of Profit-sharing.—Sometimes the group idea has been applied to the profit-sharing scheme. That is, each branch is given a share of the total profits based usually upon the profits shown by that branch, and then the salesmen under that branch manager are given their individual shares. This corresponds roughly to the departmental method of profit-sharing among factory workers, but is not so satisfactory even as this. The factory workers are able to supervise each other, detect the slacker and bring pressure upon him to labor a little harder, but the salesmen are not so situated. The loafer can loaf without his fellows seeing him; thus this system is robbed of one of its chief arguments.

Other Variations of Profit-sharing.—There are almost innumerable variations of the commission basis, some of them taking the form of a bonus. All of them are in principle some phase of profit-sharing and will be considered as such. That this principle is gaining much headway among scientific sales managers is indicated by the returns from a questionnaire sent out to 153 sales managers.[8] Of these, over one-half used some variety of profit-sharing. "We have learned through hard experience," one sales manager wrote, "that there is only one kind of a successful compensation plan for salesmen, and that is a plan that 'splits' something with him."

Bonus on Excess over Quota.—This plan assumes that the sales manager has set a quota for each salesman. For selling an amount in excess of his quota the salesman is given a bonus. This is usually used in connection with a basic salary, being but

[8] "Survey of Sales Management Practices," Section 3, p. 1, published by The Dartnell Corporation, Chicago.

a variation of the salary and commission on total sales. It aims to emphasize volume while maintaining control over the salesman. The basic salary should not be enough to enable the salesman to do much more than exist, while he should be able to increase his earning 50 per cent or even 100 per cent by earning a bonus.

An advantage of a bonus arrangement with quota is that it sets a mark which the salesman feels he must attain. Without a definite set task, few men will do their best in any line of endeavor. In addition to this advantage, the scheme appeals to the sporting instincts of the average man. It contains a challenge. To be effective, this task which the salesman is challenged to perform should not be too difficult. That is, it should be well within the limits of possibility, or the salesman will not make the effort to reach it. An ambitious salesman, eager to make his quota, may become so thoroughly discouraged by a failure to do so that his value to the house is seriously impaired. If this happens two years in succession he will probably resign.

Sliding Commission.—This scheme recognizes that as the sales of a given salesman increase, the unit selling cost is decreased. It offers to the ambitious salesman a chance to make a large income, as the rate of commission increases with the sales. For example, taking the month as a unit, under this scheme the salesman might receive 15 per cent on all business under $4,000; 20 per cent on all business if he sold $5,000; 22 per cent if he sold $6,000, etc. The rate applies on all his business, not merely on the amount over the next lowest figure. As a stimulus to great effort this scheme is effective with salesmen who have a high standard of living, but all the emphasis is placed on volume. The system, therefore, has the weaknesses of any commission plan.

The Group Commission Plan.—This system divides the items in the line into a number of groups, the classification depending largely upon the profit to the house of the various items and the difficulty with which they are sold. These different groups carry varying rates of commission, so that a salesman may earn more by selling items in certain groups than in others. The trouble with the plan is that it tempts the salesman to sell

the customer something which he may not really need, merely because that item carries a higher rate of commission than the one the customer wanted to buy. The difference in commission is not usually sufficient, however, to bring about this result. The plan is in wide use and peculiarly adaptable to such lines as hardware, dry goods, and others which include a large variety of items, some of which yield a good profit while others are sold at a narrow profit. The plan is simple, in that the salesman himself can figure his own earnings each week.

Salary, Expense and Commission.—This is merely a variation of the salary and commission plan. Under this method the house has an account with each salesman, charging him with his salary and expenses, and crediting him with a commission on all sales, figured usually on the amounts actually paid by his customers. When his commissions exceed his salary and expenses, he receives a profit-sharing check, once or twice a month.

The aim of this plan is to keep the men satisfied that they will receive a decent living, while at the same time offering them an incentive to sell volume. The idea of paying different commissions for selling different items or to different classes of customers may be incorporated in this system.

Task and Bonus System.—This is one of the most modern of the systems, being based upon similar systems used in the payment of factory workers. The theory underlying it is that the salesman is expected to do a number of things besides sell goods, and that some system should be devised which will pay him for doing these things.

The system used by the Remington Typewriter Company is an illustration of this. A man's "task" is the number of calls he makes, and he gets paid for every call, even though no sale is made. For some calls he is paid more than for others, as for example, calls on new prospects are considered worth more than repeat calls on old prospects. If the salesman is able to interest the prospect so that a demonstration can be made, he is paid for that at a rate varying with the type of machine demonstrated.

If the salesman is in charge of a district office and carries a small stock of machines, he is paid for looking after the stock, making out reports, etc. He never knows just when his work

is going to be checked up, but every once in a while it is. This keeps him on the alert and also helps to correct any faults he may show in his methods.

The bonus is in reality a commission on all sales. The rate varies with the profit on the sale. It is thought that this system is best adapted to salesmen who are not above the average, who are willing to do routine work without question. Its value for the higher grades of sales work has yet to be proved.[9]

The Point System.—This system may or may not be a compensation plan. That is, it may merely indicate the mathematical method of arriving at the amount of compensation due the salesman. Even so defined, it is entitled to discussion here. Many sales managers feel that this method offers the best opportunities for accomplishing just what they have been trying unsuccessfully to accomplish with other systems of compensation. For this reason its use is growing rapidly.

Points may be given the salesman for anything and they may also be deducted. For example, he may be given five points for making a call and fifteen points for making a sale. In addition to this he might receive credit for an extra point on each hundred pounds or gross sold. For putting in window trims, selling certain items, etc., points may be given. Similarly, if a salesman fails to do what he is supposed to do, his account may be debited with a certain number of points. In other words, he may be penalized. This principle is illustrated by the method used by an electric light company of Wisconsin. Their scale runs as follows:[10]

Credit

Classification of Business	*Signed by Salesman*	*Signed by Office*
New customers on existing lines	5	1
New business on extended lines	2	1
Additional lighting business	7	1
Additional motor service business	3	1
Additional successor customers	2	1
Renewals of contracts	2	0

[9] J. G. FREDERICK, "Modern Sales Management," p. 150.

[10] "Charging Salesmen for the Business They Lose," *System*, July, 1910.

New commercial customers converted from gas or gasoline	7	1
Old houses wired	11	1
Flat rate on street lighting contracts	7	0
For each additional dollar of estimated annual revenue on 3-year contracts or longer	1	0

Debit

Type of Loss	*Debit Entry*
Disconnection	1
Actual customer lost to competitor	7
Prospective customer lost to gas or gasoline competition	2
Decreased business	1
Complaint not reported upon by salesman within 6 days of filing	50
Misrepresenting facts to customers, or failure to report loss of business accurately	100

Note.—100 points is minimum. There is no maximum.

Under this system the men are paid a fixed salary to compensate them for work with established customers. The salary gives the company first call on the time of the salesmen. The points are based on the value of the type of business to the company, and the salesman paid a commission of so much per point.

One company has drawn up the lists of plus and minus points into a system as follows:[11]

Each new or former account sold—5 points.

Each old account increased at least 20 per cent in excess of previous year—5 points.

Each town visited in which there is no agency—2 points.

Each prospective customer to whom line was shown—2 points.

Each report received by sales department of a call made—1 point.

Each customer from whom local newspaper advertising was secured and the advertisement sent to the sales department—2 points.

Each retailer to whom advertising was sold—2 points.

Each suggestion submitted for the good of the corporation—5 points.

Each item of information of value to the corporation—1 point.

For acknowledgement on day of receipt of all notices issued by the sales department—25 points.

For decreasing over the preceding year the ratio of the gross to the net sales—25 points.

[11] C. F. Abbott, National Aniline and Chemical Company, New York, *Printers' Ink*, Jan. 6, 1921.

For increasing the total net sales of the preceding year—25 points.

For following accurately and promptly all instructions received from the sales department—20 points.

Special coöperation rendered at the request of the sales department—50 points.

For decreasing the ratio of expenses to sales, compared with the previous year—25 points.

Here are the penalties:

Failure to report on calls made on either prospects or customers—25 points.

Failure to acknowledge each notice on day received—5 points.

Ratio of gross to net sales, increased—25 points.

For decrease in total net sales compared with preceding period—5 points.

For each complaint from customer due to the fault of the salesman—25 points.

Misrepresentation, proved beyond doubt—150 points.

Each account lost (except when closed by house or passed up at request of house or directly the fault of the house)—25 points.

Each account decreased (unless the decrease is at least 20 per cent below the previous period the account will not be considered as decreased)—5 points.

Failure to call on retailers in at least 50 towns—25 points.

Failure to show line to at least 60 retailers—25 points.

Under any variation of the point system the chief advantage is its flexibility. It can be varied to meet changing conditions. It recognizes the difference between opening up new territory and selling volume in established territory. It pays the salesman for doing what the manager wants him to do.

The chief argument advanced against the point system is its complexity. This may be well founded, but it is not necessary to make the system complex. Bookkeeping can be simplified so that little time is required to compute each man's earnings.

Pensioning Retired Salesmen.—Pension systems for factory and office employees are in common use, the purpose being to encourage the worker to stick to the firm over a considerable period of years, thereby reducing the rate of labor turnover.

It would appear that enlightened sales managers should consider putting into operation some plan for providing for the salesman when he becomes too old to travel. Yet investigation fails to reveal many such plans. This is not an indication that sales managers are unappreciative of their men's efforts or that

they are particularly unenlightened as to modern methods of creating content among their employees. It is simply that pension systems have not been needed.

One leading sales manager says:[12]

"It is my opinion that if a salesman has been successful in his profession he would never need a pension when he reached old age. I have known of a great many salesmen who have been able to retire at the age of sixty and live on their incomes."

Perhaps another reason for the lack of pension systems is the fact that such a system would probably not hold salesmen on the job if they wanted to take another position. The salesman is by nature not a routine worker; he is a pioneer. In him the instinct of caution is not developed so greatly as in most inside workers or factory hands. His is not the type which strikes root deeply into a job, sticking by that one job largely because he fears to change. Change is the breath of life to a salesman, and he welcomes the unknown. For that reason he seldom stays on one job long enough to earn a pension if the firm had such a plan in operation, and further, such a plan would not hold him anyway.

Another reason why pension systems are not in use is the fact that most salesmen do not continue to travel until they are sixty years of age. They have either been promoted to an inside position as branch manager, sales manager, or some similar job, or else they have started in business for themselves as retailers, brokers, or even manufacturers. Many a salesman sticks to the road just long enough to save a little capital and pick out a nice town in which to settle down and operate a retail store.

The New York Life Insurance Company has a system of pensions in force which is regarded favorably by many. It is rather complicated, but, in brief, it provides that after a salesman has been with the company twenty years he is entitled to a pension for the rest of his days. This does not always mean that he stops working. Many such men continue to sell insurance as actively as during the former period, but it lifts from

[12] SAMUEL DUBLINER, "How Shall We Pay Our Salesmen: Commission or Salary?" *Printers' Ink Monthly*, p. 27, July, 1920.

their minds the load of worry which might keep them from successful selling as they grew older.

There are a few other pension plans in operation, but it may be said that the need for them is so slight that no general policy is usually necessary. It is ordinarily sufficient to care for any individual case on its own merits.

Conclusion.—It should be pointed out in conclusion that the method of payment and the amount of compensation are not the only factors involved. The sales manager who would make a success of his work with his men must bear in mind that they value other things as well as money. Among these other important factors may be mentioned:

1. An opportunity to grow is valued by the good salesman as much as the immediate salary. By this is meant not only that a man likes to see an opening up ahead for him, but that he appreciates the chance to *learn* how to fill it. In other words he wants to be shown how to earn more.

2. The organization in which a "pull" is essential to promotion will not attract the better grade of salesmen. An investigation covering four hundred salesmen a few years ago showed that a surprisingly large number of them felt that merit was not rewarded in their organizations, but that relationship, fraternal ties, and plain "pull" counted far more heavily.

3. The good salesman likes to work for a firm with definite business policies as to prices, terms, shipments, numbers, etc. Furthermore, he likes to feel that there is a reason behind each policy, so that he can feel justified in upholding it. And he is entitled to know the reason for each policy.

The sales manager who supplements his compensation policy with these policies will find the former much more effective.

CHAPTER VII

CONTESTS

THE traveling salesman is more in need of encouragement from his employers than most other types of workers. Fundamentally, this is because he works alone, out from under the watchful eye of his superiors, and without the presence of fellow workers to spur him on and lend the influence of their example. Any worker, under these conditions, tends to slacken speed. The farm hand cutting corn alone in the field does less than when paired with another man, and the secretary is inclined to take things a bit easier while the boss is out of the office. In addition to this handicap of working alone, the salesman has others to overcome.

Reasons Why a Salesman Requires Stimulation.—1. It is hard for him to see the immediate, direct results of his labor. The man operating a machine can observe an increased output when he speeds up, the stenographer can turn out more letters with increased effort, but the salesman may strive vigorously for three days with scant results, while on the fourth an hour of labor will net him a fat commission. This lack of visible relation between effort and reward is likely to make any worker somewhat indifferent.

2. His work is of a type which is nervously exhausting. Working often in a half-hostile atmosphere, he is constantly meeting with rebuffs and criticisms, which undermine his enthusiasm. Unavoidably, the nervous strain would make him a bit "temperamental" and inclined to suffer from spells of depression. The nervous exhaustion, the relaxation following a period of high tension, affect his spirits.

3. The very physical hardships with which he is forced to put up, if he is working the smaller towns at all, are sufficient to dampen his enthusiasm and imbue him with a perpetual pessimism. Irregular hours, poor hotels, dirty trains, bad food, all have a harmful influence on physical and mental efficiency.

4. Working at long range with the home office, he is likely to develop the feeling that he is unappreciated, that the "swivel-chair loafers back there" are indifferent to him and to his troubles, that there is often needless neglect. He forgets that he is only one of perhaps scores with whom they are maintaining contact, and his troubles are aggravated by exchanging tales with his fellow traveling men.

For these reasons, the sales manager should give special attention to those means by which the salesman on the road can be encouraged to put forth his best efforts constantly. In this and the next two chapters are considered the methods, aside from the form of compensation, which may be utilized.

Contests for Staple and Specialty Salesmen.—On the desirability of using the contest idea to stimulate salesmen to greater effort, opinions of sales managers differ, as they do on so many policies. In some staple lines, like dry goods or shoes, contests for salesmen are seldom held, the feeling being that the conditions of such businesses are different from those of the great specialty manufacturers who have so widely exploited the plan, as, for example, the National Cash Register Company, the Sherwin-Williams Company, Burroughs Adding Machine Company, Addressograph Company, and so on.

This feeling that contests are not suitable for salesmen of staples is giving way, however, and we find many such firms now making use of them. The original idea was that the staple salesman made sales more on a basis of friendship and service to the retailer who was his customer, and if the contest was introduced it would tend to make him overload the trade, thereby piling up future trouble for himself and the firm. Then, too, staples are growing more like specialties in some ways, being branded and sold as specialties, while many specialties are assuming the guise of staples. There seems to be less of a fundamental distinction between the two types of selling, so far as the applicability of contests is concerned, than was formerly the case.

Arguments Against Using Contests.—The case against the contest is well formulated by the sales manager of a large paper mill:[1]

[1] "Do Sales Contests Really Pay?" *Sales Management*, p. 515, August, 1921.

"A sales contest is a competition. It raises dissension and rivalry. Old Thomas Hobbes who lived in England in the sixteenth century and who made a specialty of arguments, summed up the matter of sales contests in this wise: 'Competition of riches, honour, command of power, inclineth to contention, enmity and war; because the way of one competitor, to the attaining of his desire, is to kill, subdue, supplant, or repel the other. . . . And therefore, if any two men desire the same thing, which nevertheless they cannot both enjoy, they become enemies; and, in the way to their end, which is principally their own conservation and sometimes their delectation only, endeavor to destroy or subdue one another.'

"Do you think, Mr. Sales Manager, that such a spirit helps upbuild your sales force? Mr. Starsalesman desiring to subdue or kill—in the figurative sense only—Mr. Nearstar is hardly a good basis upon which to build a spirit of good fellowship and camaraderie to meet the real enemy. Competition, is it?

"Sales managers want to make a showing; they want a big March, a bigger May, and they stage a contest. It brings home the business, just as now and then a war of aggression brings home more territory to the invading power. But the war spirit remains within the people and breaks down their morale. In order to improve their standing in a contest, salesmen will drive the prospect to a decision which will be the cause of many years of future worry—for some future sales manager, in all probability! You can whip a prospect to a decision, but in the end he will whip your company for having forced him.

"Sales contests mean more to the multiplication of turnover among salesmen, in my opinion, than anything else. Instead of getting a man to join you as a salesman, as in the old days, and working him up as an owner in the business, you get a man for a salesman much as they hire the grandstand baseball players of the day. They go like a house afire for a month, a season, or longer, and then you 'let them out' or they get fired, or they resign. A man sore at the house because he lost a contest is not the man who can best represent that house to a prospect. Yet following every contest there are bound to be only a few winners, and many who were losers.

"The contest system of sales stimulation sacrifices the many for the few; it breaks the spirit of salesmanship; it does absolutely nothing to improve the standards of salesmanship; it breeds ill-will, discord, envy, hatred, and disloyalty. . . . Instead of spending thousands of dollars in prizes, why not try spending thousands of dollars in sales training?"

In addition to the above criticisms, one of the most impressive is the argument that after a salesman has striven hard to win a prize in a sales contest, there must inevitably follow a period in which his sales will slump. In other words, a contest

system simply results in a sales force doing most of their selling while the contest is on. If this is the case, the amount given as prizes must either be deducted from the profits of the firm or else considered as a part of the salesman's regular compensation. As one sales manager phrased it:

"Sales contests are demoralizing. They are like a 'shot in the arm.' Once you get in the habit of offering your men a special prize for doing what they are paid to do, you never can get any work out of them without offering something in addition to salary. It is like bribing a child to be good. Instead of developing the child you only teach it to expect pay for being well behaved. It's all wrong. It's a most disastrous habit into which to get—a most unfortunate thing to let permeate a sales force. I know a lot of men who tried it, but it did more harm than good in the long run."

One investigation among twenty-two sales managers disclosed the fact that half of them were in favor of the contest and the other half definitely opposed to it.[2]

Arguments in Favor of Using Contests.—The case in favor of the contest idea is supported by much testimony from sources entitled to respect. For example, the sales manager of a publishing house states:

"We were not very ambitious or hopeful about the outcome of our first contest. Today we are absolutely sold on the contest idea. Our whole sales organization is built around permanent contests which come regularly each year and which the sales people look forward to with a great deal of anticipation. These contests of ours have not only led to an increased business, but they have produced the right kind of team spirit which leads to team-work. The older, experienced members of the sales force jump right in and help the beginners get started because the latter might hold back the score of the team if they fail to get a good start."[3]

Another exponent of the contest puts it this way:

"If every salesman worked every day at 100 per cent capacity, then I would say that sales contests wouldn't pay. There would be no need of them. But it has been repeatedly proven that every man is capable

[2] "Survey of Sales Management Practices," The Dartnell Corporation, Chicago, Ill.

[3] Special Report No. 52. "One Hundred Plans for Staging Sales Contests." Issued by The Dartnell Corporation, Chicago.

of greater effort under pressure than if left to his own initiative. Salesmen are but boys grown old. They enjoy pitting themselves against each other in the same way that they used to enjoy a game of baseball or tennis. The trouble is not that sales contests don't pay, but that the sales manager does not know how to make them pay."

The fact that hundreds of concerns continue to use contests after many years' experience with them would seem to indicate that the idea is not intrinsically unsound if properly administered. It will be the purpose of the remainder of this chapter to set forth some of the principles which should govern the administration of sales contests, and to sketch the mechanics of a few of them.

Principles Underlying the Contest Idea.—The idea behind the contest is the love of a game. It is the instinct which impels us to engage in athletic sports, to play cards, to strive for business or social success. Without this implanted instinct society would stagnate, men would be satisfied with their lot, there would be no desire to surpass others. And whatever the more radical social reformers may hope, humanity has yet to prove that any other incentive will make for progress, at least economically. It is sometimes objected that salesmen are too old, too blasé, too wise to the purpose behind the contest to allow themselves to be drawn into such a childish and obvious trap. The answer to this objection is simply that old, blasé, wise salesmen *do* enter into contests with the whole-souled enthusiasm of lads playing baseball. They do it in the same firm year after year, too. It is more fun to travel a mile if there is a race on and you have a chance of beating someone, than it is just to get a mile from the starting place. Similarly, it is a greater incentive for a salesman to sell $100,000 worth of goods if there is a race on and he has a chance of beating someone than it is just to sell $100,000 worth of goods for the sake of getting the compensation regularly paid him. This basic idea of a contest for the love of the game must not be forgotten, for its neglect has been the cause for the failure of scores of contests.

When and How Often Should They Be Held?—One of the first matters to be decided by any firm contemplating holding a contest has to do with the time element. How often and how long shall they be?

Where there are definite seasons, it may be wise to hold the contest during the dull season in order to equalize sales in the interests of steadier production. In this case a contest of two or three months' duration is probably about right. When for any unforeseen reason a slump in sales seems imminent, the contest may be invoked to bridge the gap, even though the falling off may not be due to seasonal factors. In any event, it is a mistake to let a contest drag out too long, as the men lose interest. Similarly, it is an error to hold contests too often, as this dulls the edge of interest. For an intensified effort, the length should not be over three months at the outside, while most firms have found that where more than two short contests a year are held they lose their spice.

The annual contest, running throughout the entire year is used by many concerns, and seems to be a permanent feature in many systems of sales stimulation. Where the contest runs the whole year it is usual to start immediately following the big convention of salesmen and to announce the winners of the previous year's contest at one of the convention sessions. More detailed descriptions of some of these continual contests are given later in the chapter.

Where the contest is continuous, it has been thought necessary by many firms to inject several sub-contests into the scheme, much on the same principle as the winners of certain laps in an automobile race may be given prizes even though they do not eventually win the race. Thus, it might be possible to offer a prize for the most new customers in March, or for the most sales of a certain item in June, thereby allowing salesmen to win prizes for special effort even though they might not win the main contest. This method maintains interest in a year-round contest as nothing else will.

To Make Contests Successful.—1. Perhaps the most important principle in making sales contests successful is to arrange them so that every contestant has a chance to win something. This does not mean that every man *will* win; merely that he has a *chance*. If this is not done, the majority of the men will view the contest without enthusiasm and will put forth little extra effort, knowing that they cannot win. In other words, if the men are working territories which are not pre-

cisely equal in possibilities there must be some handicap system so that those in the poorest territories may feel that they have a chance with the men in the best territories. The best men naturally gravitate to the best territories, the same as the best tenant farmers get the best farms or the best merchants the most desirable retail locations, so it would be manifestly unfair to give a salesman the double advantage of native ability and the best territory.

2. Another requisite for a successful contest is that there shall be ample time for working out the plans before the idea is put up to the salesmen. It is suicidal to announce a contest with vague rules, and perhaps even worse to start it with certain understood regulations and then later change the rules because they were unsatisfactory in some way. Care in thinking through the details will avoid this blunder.

3. The sales manager should devote considerable attention to the laggards and not focus all his interest on the leaders. It is by bringing up these laggards that a real contest is engendered. There is nothing in any race so thrilling as to see a contestant who has been trailing for a time suddenly spurt and challenge the leader. In a sales contest this gives the other "trailers" renewed hope and ambition, which is lost where certain men stay out in front week after week. In stimulating the slow men, the sales manager must make use of his own knowledge of salesmanship, and deal with each individually. One will respond to an appeal to pride, another needs to be scared, while the third will react favorably to an appeal to personal loyalty. Scoldings and encouraging words must be distributed judiciously by the watchful sales manager.

4. The contest must be sold to the men in advance. It is not sufficient to send each a brief note to the effect that "our summer contest will start June 1st. The prize will be a traveling bag. Your handicap is 18. The contest closes September 1st, so get busy." No, the contest must be advertised to the men by means of letters, the house organ, bulletins, and speeches at the convention. Without this, the men are slow in getting started and the whole scheme seems to flatten out.

5. Where possible, the interest of the executives should be enlisted. A letter from the president, or a prize donated by

him, comments or articles in the house organ by other home office executives; these all help to give the salesman the impression that he is being watched—that there is a crowd in the grandstand.

6. The team spirit can often be introduced profitably. By pitting rival territories against each other much healthy interest may be aroused. Detroit and Cleveland territories could be paired off to good advantage, as they have been more than once. To make this idea effective, the territories must be fairly equal in possibilities and be natural rivals. As will be seen later, this plan has been used cleverly by various concerns.

7. And last of all, but perhaps the most fundamental of all, is listed the principle that prizes should be offered for doing what the sales manager wants done. For example, if the sales force is selling staples to a regularly established trade, it would be folly to offer the prizes purely on a basis of volume, for this would undoubtedly place a premium on overloading the customers, and make no allowance for the cultivation of future good-will.

Why Contests Sometimes Fail.—In summing up the reasons why some contests fail, one investigation, already quoted, enumerates the following:[4]

1. Failure to provide proper quota, or basis of award, so that all salesmen, regardless of natural ability or territorial conditions, have an equal chance at the prizes.

2. Failure properly to "sell" the contest to the sales force at the start, and failure to adopt methods that will maintain interest throughout the contest.

3. Failure to use precautions in awarding prizes to guard against overstocking trade, cancellations, and other results of hurried salesmanship.

4. Failure properly to group contestants so that salesmen in equal territories would be pitted against each other.

5. Over-doing the contest idea. Running a series of contests in quick succession without regard to general business and stock conditions.

6. Lack of advance planning. Some concerns report that

[4] Special Report No. 52. "One Hundred Plans for Staging Sales Contests," p. 6. Issued by The Dartnell Corporation, Chicago.

only one or two contests a year are staged, and the plans for them are drawn up six months in advance to allow ample consideration.

7. Too much "hurray-boys stuff" in bulletins. Great care must be used to get the right tone into messages to the salesmen.

It will be seen from an examination of these reasons for failure that most of them are not inherent in the contest idea, but are due to errors in the application of it. As one advocate of sales contests pointedly puts it: "One of the troubles with contests has been that sales managers have not understood the arrangement of them. They have used them much the same as a man who is sick and grabs the first bottle that he comes to in the medicine chest. When he finds that the Sloan's Liniment he has drunk does not cure his headache, he is off medicines entirely, and spends long hours telling his friends what a great mistake it is to spend money for medicines. He has tried it and knows."[5]

Naturally, some abuses may creep in, as, for example, in a city territory worked by several salesmen, where some of the men may throw part of their business to one man, who will thereby be enabled to win the prize. He is supposed to split with the other salesmen who helped him. It is difficult to check up on all such abuses, but they can be reduced to a minimum.

Selection of Prizes.—"The selection of rewards is worth more thought than it usually gets." "I once put on a sales contest for an office appliance concern that fell flat because we didn't distribute the prizes skillfully." These quotations are from two sales managers who have studied the contest question carefully.

In the first place, it is not always necessary to have extremely large or valuable prizes. The honor of winning may be as great an incentive as the prize itself.

"The men on our sales force have always taken great interest in every sales battle that we have staged. They are out for honors as much as for the prizes themselves. At a banquet which we held at one of our annual conventions the leader on the sales force was presented with the special prize pin which is awarded to the president of our 100 Per Cent

[5] *Sales Management*, p. 516, August, 1921.

Club each year. In acknowledging the prize that was given him as a token of the place he had won, he said to the owners and executives of the company, 'Gentlemen, I would not take $10,000 cold cash for this honor.' And he really meant it." [6]

Another way of putting the same idea is found in these words of another successful sales manager, "When the worth of the prize outweighs the honor of winning in the eyes of the salesman, then you are in for trouble."

Charles W. Hoyt, himself a sales manager for years, says:

"Contests are often spoiled because the prize is made the biggest feature of them. Once I attended a salesmen's convention at which the head of the concern announced that for the next year the salesman who did the best in a certain line would receive a prize of $500. The announcement fell flat. During the recess the salesmen discussed this point. I heard many of them say they didn't like it. They said they were now doing the best they possibly could and no matter if the boss offered several prizes of $500, it wouldn't make them work any harder than they were working now. Indeed, there was so much opposition to this prize that the offer was withdrawn at the next day's session of that convention." [7]

Similar testimony is offered by Jack Speare, advertising manager of the Todd Protectograph Company:

"Our sales contests in the past have proved that the average specialty salesman will work harder and produce a greater volume of business for a prize such as a gold watch or a diamond ring than for its equivalent in cash commissions or bonuses. He will work harder for a $5 gold medal or button than for a $500 prize. But the 'ne plus ultra' of the salesman's desire is a 'certificate' or an 'honorable award of distinguished service,' or anything that has an engraved inscription and a bunch of seals hanging on to it—provided it is signed by the heads of 'Dear Firm' and is of a shape to be framed and hung up in the parlor for the admiration of posterity."

This all sounds cynical, but within certain limits contains an undoubted element of truth.

The most effective prize is one which is lasting, so that it constantly reminds the winner of his victory. Money is soon spent and nothing remains by which to remember the event. For

[6] H. E. STEINER, General Sales Manager, Holcomb & Hoke Mfg. Co., "Our Experience with Prize Contests," *Sales Management*, August, 1920.

[7] "Scientific Sales Management," p. 115.

this reason merchandise prizes are much in vogue: such things as traveling bags, watches, rings, loving cups, or articles for the home. One concern makes a practice of offering its prizes in pairs; that is, one for men and another of equal value for women. The winner may choose. The very fact that a man's wife is likely to help him select the prize means that the prize is doubly effective in urging him to do his best work. The natural interest of the men's families, under such a plan, is a wholesome spur. If the prize is for winning a really big contest, it should be something which the winner can show his friends. A gold mounted fountain pen, costing $25 added to $225 in cash will mean more to the salesman than $250, for it gives him a peg on which to hang his story of how he won the contest. When he takes his pen out he is offered an excuse to relate the circumstances surrounding the big contest, and to tell how the president, after signing the prize check with the pen, presented it to him before all the other salesmen assembled at the annual convention.

A sales manager may be excused also if he introduces a bit of the dramatic into the prize-awarding occasion. It means much to a salesman to be seated at the speakers' table at the banquet, and to be signally honored by being asked to rise and receive his prize, bestowed with the best oratorical flourish the president of the firm can muster. If the prize were sent to him by mail, it would lose half its charm.

Various ways can be devised for singling out the contest winners and giving them especial honors. One firm presents its contest winners with unique canes when they arrive in the city for the convention, and these men are permitted special privileges not granted the common salesman who failed to win anything. Of course, it is easy to overdo this "featuring" idea, but a little has been found helpful.

Few concerns offer "booby" prizes, but some have worked out the idea with success. The Packard Motor Company once presented the salesman who made the poorest record with a mule, calculated to impress the entire sales force with the firm's idea of this man's speed and perhaps his nature also. These booby prizes are bestowed with much pomp and ceremony, and naturally no salesman wishes to be the recipient.

Occasionally a contest can be successfully staged with prizes of little or no value, the whole being merely a game, viewed as more or less of a joke by the men. One experienced sales manager says:

"It isn't for the prize that I run a contest. It is for the game. I have secured better results when the prize was nothing but some joke than where there has been a valuable one at stake. However, I have seen and run both kinds. Let me illustrate this by two contests in which the prizes were distinctly different. Some years ago a company with which I was connected was not selling very much of a certain produce. We owned a lot of this product, however, and wanted to secure business. Our salesmen didn't seem to know how to sell it, as it wasn't in their line of work. One day I made up a mimeograph bulletin which showed a picture of a road race course and announced that we would run an automobile endurance race. The picture showed a track which ran all the way around the paper. In one corner we printed some pictures of automobiles with the name of a salesman on each one. The race course showed 50,000 units; we called a pound a unit. We announced that the man who first sold 50,000 pounds would be the winner and that the prize was to be an automobile. Now I might tell you that the selling price of this product was so small that nobody supposed for a minute that we were going to give an automobile to the salesman who sold 50,000 pounds, especially as our organization was only about 25 salesmen. The little contest excited a lot of interest and sold a lot of the product. The prize in this case was a little mechanical toy automobile.

"On the other hand, another department of this concern wished to make a big showing on one of their products. They announced that they would send the winner from each territory to the main office. It averaged to cost $200 per man to do this. It meant that virtually the prizes were worth $200. We worked hard on this and boosted it all we could, but I think I am quite fair when I say that there wasn't a particle more interest in it than there was in the other contest which was merely a joke."

This comic twist has been used by many concerns when they find the salesmen are getting tired of the regular inspirational appeal. A concern manufacturing paint put on a comic contest to stimulate the sale of screen paint one season. This was a fly-swatting contest! Each $10 assortment sold counted as 1,000 flies killed. The salesmen received stick pins from the 10-cent store with flies on them, each got a fly-swatter and lots of comic jingles in the letters and bulletins. The men were split into two teams, the Boneheads and the Ruffnecks, and much spir-

ited rivalry was engendered. A high sign was created—bringing the hands together with a resounding swat—and each week the leading salesman was elected to the office of Grand Swat. The whole thing sounds silly beyond words, but it is sufficient comment on the scheme to chronicle the fact that this contest sold more screen paint in one month than had been sold in any four previous drives.[8]

Determining the Prize Winners.—As has already been stated, one of the biggest principles in making a convention a success is to have it clearly understood just what the men must do to win a prize. Some of the schemes worked out will be presented here as typical.

Obviously, the simplest and crudest form of contest is one based on gross volume of sales. The weaknesses in this plan are apparent when we consider that the purpose of a contest is to increase profits in the long run, and not merely to pile up sales for the period of the contest. Overselling is a common result of such a contest, with ensuing cancellations and ill-will. The merit of this form is its simplicity and ease of operation. In many lines of specialty selling it operates fairly well. In staple selling, where good will must be carefully cultivated and much educational work done among the dealers this form of contest is not so likely to succeed.

Sometimes the prizes have been awarded to those salesmen showing the highest percentage of increase over the same period the previous year. This emphasizes volume, but at the same time gives the new man a chance to win. A disadvantage is that a man who has been loafing may spurt and win the contest, while another man who always did his best cannot increase his sales so much.

For a number of reasons these more simple forms of comparing the men have proved inadequate and have been supplanted by some form of the "point" system, by which a man's score is figured, not in volume of goods sold, but in points. These points are scored to his credit as a reward for doing certain things which the firm wishes its salesmen to do.

Among the reasons for the abandonment by many firms of the

[8] "The Comic Twist in Sales Contests," *Printers' Ink*, p. 48, May 22, 1919.

straight volume method of scoring men may be mentioned the following:

1. Territories in the average business are unequal in possibilities. Some territories are fully developed, having been worked for years, while others are frontier sectors where the salesmen are still pioneering the way. It is obviously unfair to pit the men in such territories against each other on a simple sales-volume basis.

2. The amount of the order, or average size of order, is another important factor. The salesman who works a territory containing quite a number of large users of his product has an easier time of it than the man covering a territory where the buyers purchase in small quantities.

3. The various articles sold by a firm making a "line" of products do not yield the same profit and, furthermore, are not sold with equal facility. That is, there may be a margin of 40 per cent on a certain brand of paint or varnish, while another must be sold closer, perhaps on a 20 per cent margin of profit. Some articles in the line are harder to sell than others, but it may be desirable to push them, either to keep out competition or to increase the factory output to a point where the unit cost of production will be lowered. Therefore, in many contests we find extra points being given for selling these items which yield high profits or which are difficult to sell.

How to Operate the "Point System."—Some of the factors for which points may be given are:

1. For largest number of calls made or towns visited. This is based on the idea that the man who sells the most, other things being equal, is that man who is on the job the most hours per day, who spends the most time in the presence of the prospect. As a matter of fact, many salesmen have been surprised at the increase in their sales when they started out to pile up points under some such system as this.

2. For the largest number of new customers. This places a premium on new business and minimizes the tendency to sell only the easy prospects who are known to be friendly.

3. For the largest increase in business over quota or over same period last year.

4. For the largest number of orders. This stresses not vol-

ume alone but emphasizes the value of continual plugging. It is introduced to encourage the man covering a territory in which the average size of the orders is small. It also stimulates the salesman in metropolitan territories to call on some previously overlooked small prospects instead of merely skimming the cream.

5. For the lowest ratio of expenses to sales. Where the firm pays the traveling expenses of its men this tends to keep expenses down to a minimum. The points awarded for this factor should not be high enough to tempt the men to adopt a pinch-penny policy in the matter of expenses, for that would cast reflection on the firms they represent.

6. For the smallest amount of cancellations. This encourages the salesman to make a thorough job of selling, to avoid overstocking or selling the wrong goods. Thus is neutralized one of the evils of the contest based upon pure volume.

7. For the lowest amount of past due accounts. This emphasizes the value of watching the credit standing of the customers and secures coöperation between the salesman and the credit manager.

The advantage of using the point system in scoring salesmen in a contest is its extreme flexibility. It can be adapted to any kind of business and to any kind of contest. It offers a means by which the sales manager may persuade his men to do the thing which seems to need doing. All that is necessary is to increase the number of points given for doing this thing. It enables the sales manager to keep his business in perfect balance, for he can lighten or increase the stress upon any particular phase of the work.

Usually the point system is operated in connection with quotas for the salesmen, but this is not absolutely essential. A contest could be staged without setting any definite goal for the men except a time limit. This, however, is fair only where the salesmen are working territories approximately equal in possibilities. As already explained, the territorial factors vary so widely that it is usually fairer to handicap the men by setting quotas, the same as a golf player or a runner may be handicapped.

Special Honors Aside from Prizes.—Aside from the prizes

which are awarded, special honors frequently add much to the stimulus of a contest. One large organization has what they call their "Hundred Point Club," to which belong those men who have sold at least one hundred points a month for the entire year. One point represents $25 in sales, so that it is necessary to sell $2,500 worth of the article per month. The first salesman to reach this total of 1,200 points is automatically elected president of the club for the following year, the second man is made vice-president, the third secretary, and so on. The names of the men making this club are widely advertised in the house organ, so that the honor is eagerly sought. In addition, these men are entitled to the trip to headquarters to attend the annual convention. Sometimes a separate convention is held for those men who did not attain their full quota, and it is the ambition of every man on the sales force to climb out of that class into the higher one.

Many other firms have similar honor clubs, membership in which can be attained only by selling a certain amount or accumulating a certain number of points in the contest. The S. F. Bowser Company of Ft. Wayne has its "Pace-Makers' Club," members of which get their expenses paid to the convention and in addition receive special bonuses as prizes. They operate under the point system, a point varying from $40 to $100 in sales, depending on the line of equipment and type of customer to whom it is sold. The hardest items to sell and the hardest businesses count more in the point column. The salesman first reaching 500 points is president, and so on down the line even to the "board of directors." Special contests are also used to push specified items, and district prizes and contests are used.

The Addressograph Hundred Club, the Burroughs Adding Machine Company All-Star Club, the Baker-Vawter Pioneer's Club, are all similar in purpose to those described. The value of these organizations lies in the publicity given them with the sales force.

Types of Contests.—Indeed, the success of the entire contest depends much upon the publicity given it and the manner in which it is depicted to the men. For this reason it is common to stage it as some sort of a physical contest, the simplest and most obvious being the race. The idea of having the racers

circle a track over and over may be varied to make them travel 'cross-continent or around the world, publishing each week or day the point in the journey which each man has reached. Maps and pictures can be used here to good advantage.

If the contest is in the fall an analogy to football may be devised, the men being divided into two teams and rules for scoring being worked out. A rifle match can be used, each $100 sale, for example, counting as a bull's-eye, each $75 sale as a first-circle shot, etc. The points given each shot might be 25, 20, 15, etc.

The baseball idea has been widely used because most salesmen know the game and its language. The Burroughs Adding Machine Company has an elaborately devised scheme for scoring such a contest.

A tug-of-war contest can be arranged between teams by dividing the country equally and then representing on a map the men pulling on each side and showing the situation each week in the house organ or bulletin.

Even where the prize is merely a trip to the factory, the progress of the contest can be depicted graphically by using a map or chart, showing each salesman headed toward the factory and getting nearer each week. Sometimes the standing of the contestants is shown by picturing aeroplanes or balloons engaged in an altitude contest. The old thermometer method of showing standings is still used, varied occasionally by the use of an automobile speedometer to indicate the increasing speed of each man.

One scheme frequently used when the sales manager is popular with his men is to stage a contest while he is on his vacation, as a sort of tribute to him. This should usually be taken charge of by some executive of the firm other than the assistant sales manager, as where the latter handles it there is always the suspicion that he is trying to "show up" his boss with the idea of getting his job.

There is some question as to the wisdom of publishing the names of those engaged in the contest, as it may humiliate the losers. However, most firms feel that this is more than offset by the incentive furnished. Publicity is a powerful motive force and can be used to appeal both to a man's fear of being shown

up and to his pride at making a good record. Too much stress cannot be laid on the need for keeping contestants informed at all times as to their standings, and in general playing the contest up strongly. Merely to announce a contest and then say nothing more about it avails little.

CHAPTER VIII

CONVENTIONS AND CONFERENCES

THE sales convention in its elaborate form is a comparatively modern institution. When business units were small and factories supplied territory limited in size by the meager transportation facilities, it required but a small force of salesmen to cover the market. Then, when business units began to expand, the natural tendency was for the leaders to skim the cream, to work only the high spots with a small force of salesmen. In either event, the sales force was small as compared with the armies which today sell certain well-known products. Under these conditions, the salesmen could keep in fairly close touch with headquarters; they knew the proprietor personally and intimately; and selling was easier than it later became. The need for conventions had not yet arisen.

Reasons for Development of Sales Conventions.—But with the increase in the size of sales forces and the establishment of branch offices, the contact between house and salesman was greatly weakened. The sales manager at headquarters did not know the men traveling out from the branches, and the salesmen had never visited the factory nor become acquainted with the officers of the firm or with the men covering other sections of the country. Large scale industry has its advantages, but it also has its weaknesses, and this loss of personal contact between a house and its traveling representatives proved to be a real weakness.

The Sherwin-Williams Company of Cleveland held one of the earliest sales conventions on record in 1881, when its force of eight salesmen met with the four officials of the firm for a day spent largely in pleasure, with chicken dinner, athletic sports, a show, and a general social good time. Since this early convention, this company has held one practically every year, but a pride is still felt in this pioneer effort.

For the most part, however, the specialty manufacturers

adopted the convention first and developed it to its highest efficiency. Makers of typewriters, adding machines, cash registers and similar articles, which had to be sold direct rather than through the regular retail trade, have been among the foremost exponents of the convention idea. From insignificant junketing expeditions the conventions have grown to huge proportions, and have to a large extent abandoned the "good time" purpose in favor of a more serious aim.

Arguments Against Sales Conventions.—In spite of the fact that conventions are widely used, enthusiasm regarding their value is by no means general. There are many sales managers who feel that the convention is a snare and a delusion. Perhaps the sentiment of these critics can best be set forth in their own language. One writer who wields a trenchant pen, paints a word picture of an unsuccessful convention which, while semi-humorous in its treatment, nevertheless portrays actual conditions in too many such gatherings.[1]

"A sales conference usually starts out pretty well, except that everybody is more or less embarrassed. Most of the boys have on their store clothes and feel a little bit foolish—the sales manager is nervous about his carefully prepared impromptu oration. Things move along all right until he says, 'Now Mr. Star, you've been high man for a considerable period. I'm sure we'd all like to be told how you do it. How do you account for the very satisfactory sales in your territory?'

"Then Star tells pretty nearly everything but the truth, which is that he doesn't really know just how he does do it.

"After Star finishes saying nothing in a good many words, the chairman says, 'You all know that we have placed special emphasis on Model K-11-44—most of you have done fairly well with it, but Mr. Plodd leads by several lengths. Plodd, please tell us about it.'

"Plodd squirms a little and finally says, 'Oh, I don't know—I just talked it whenever I got a chance, and the buyers seemed to like it.' And that ends him. You may poke at him like a cat under a couch, but he won't come out. He's through.

"It is possible that Mr. Gabb is among those present and makes a first rate uplift talk. Never has any troubles because the goods are right and the house gives top-notch service—to be sure, the prices are pretty stiff as compared with those of competitors—he loses a sale now and then simply on price, but on the whole the goose maintains its altitudinous position.

[1] CHARLES AUSTIN BATES, "A Few Confidential Remarks About Sales Conferences," *Printers' Ink*, Nov. 4, 1915.

"Along about there the conference begins to skid. Mr. Weak rises to establish an alibi. His territory is the worst on the map. The rain it raineth every day but one, and on that day his cold is so bad he can't talk, so he doesn't go out. Competition concentrates against him—prices are cut to pieces—datings are given. His best order was cancelled because the house delayed shipment, and Old Man Grouch at Gallipolis will never buy again because the treasurer insulted him by asking for payment.

"Before he is half through, the conference has become a grievance committee. It is a good chance to get back at the sales manager and everybody, even including Star, hands him a few just for the good of his soul. Not one of them will attempt to nullify another's alibi—he may need it himself some time.

"The salesman knows when he is called into a conference that the object is to boost sales. Nine times in ten he honestly feels that he is doing as well as can be done, and he therefore meets with hostility the suggestion that he shall do more. The house wants to show him how easy it should be to sell goods—the salesman's object is to prove how hard it is. No matter how loyal a salesman may be, or how hard he will fight for the house with outsiders, nevertheless down deep in his heart is a spirit of antagonism—a feeling that his work is not truly appreciated or adequately compensated. When he gets into a sales conference and hears the troubles of the other boys, his own are magnified.

"Nope! On the whole, I don't think much of general sales confabs.

"Sales conferences should be single-handed affairs between the manager and one salesman, or at most two or three. Show Weak the record on his delayed shipment so he can see just how and why it happened, and can tell his customer on his next trip. Have the treasurer show him Old Grouch's account and why it was necessary to jack him up pretty sharply. Individualize—each man has his own peculiar weaknesses and his strong points. The sales manager must find the line of least resistance. . . . The general sales conference puts them all in one hopper and tries to de-individualize them. The method which makes one successful will cripple another."

Another critic, speaking from the viewpoint of the salesman, puts it like this:[2]

"Not all the conventions are dull or stupid. Far from it. But take the average. You have probably been entertained the night before. Some of the boys got together and you stayed out a little late. The air is surcharged with fumes from hybrid cigars. You wiggle in your chair. You borrow a stick of Spearmint. You get fretful, restless, dopey, and think how glad you'll be to hit the trail again."

[2] "Sales Conventions from a Salesman's Viewpoint," *Printers' Ink*, Oct. 19, 1916.

An article in *System* for January, 1922, set forth the negative case strongly:

"Unsuccessful and partly successful sales conventions are decidedly the rule. One able sales manager recently estimated that less than five conventions in one hundred accomplish fully their purpose, and that not over one in four justify the cost in time and money in their staging. This seemingly pessimistic opinion is confirmed by many other sales managers. One vice-president in charge of sales in an internationally known enterprise hit the nail on the head in his frank statement, 'After over a dozen annual sales conventions, we have decided to abandon the yearly calling together of our salesmen, not because we believe that a successful convention of this type is impossible, but because we frankly do not know how to plan and execute such a convention.'

"A very interesting side-light on the success or lack of success of conventions is included in a letter from the general sales director of an Ohio corporation. He makes the point that really successful sales conventions are given the limelight; partial successes are lauded as entire successes; inferior conventions are deemed successful because of lack of a standard for comparison, and the failures are never exploited.

"A few years ago," he emphasized, "we received a questionnaire on sales conventions, and we were told that in return for the courtesy of our coöperation we would receive an advance summary of the experience of each corporation contributing to the discussion. The topic was, and is, a live one with us. We gave our experience quite fully, playing up our best points and forgetting our fizzles. When we received the promised advance summary it was easy for me to identify the contributions of half a dozen brother sales executives. The unanimity of praise for sales conventions and their endorsements based on their own experience puzzled me. I knew the men and knew the ups and downs of their attempts in convention building."

His letter concludes:

"So I made it a point to sound out these men, and found each full of misgivings. Their replies to the questionnaire had been based on their beliefs rather than on their experience. They, like us, had based their recital on the high lights and the fragments. If typical of the whole of their conventions, these would have justified their favorable verdict. But my visits and letters proved to me that in every case the future of convention holding was at stake. As a matter of record, only one of these six now holds annual conventions; four have dropped them entirely, and the other holds a national convention only once in three years."

One big danger of sales conventions is the temptation to play

politics. The salesmen reporting to the Denver office want a lower priced article to meet purely local competition, the San Francisco men want permission to use datings frequently; the New Orleans group wants a 10-cent shoe polish. In consequence the natural leaders of these groups get together while their satellites play poker. As a result, at the convention there appears to be a nation-wide and crying need for all three of these sectional matters.

Log rolling politics may result in the revamping of an entire advertising campaign because some salesmen have dealers who want local newspaper advertising or posters instead of the kind that was planned.

Another difficulty often encountered arises from the fact that the men get together and exchange talk about salaries. A veteran sales manager says on this point:

"I pay Bill Smith $1,000 a year more than his sales total proves him to be worth, because he is better than the territory I can now offer him. Some day, perhaps tomorrow, I'm going to need him to fill a gap that only a high-grade man can fill. Tom Jones, whose territory is 3,000 miles away and whose salary is $1,000 a year less, has no particular value beyond what each year's sales show. He feels that he is well paid until he gets to swapping sales and salaries with Bill Smith."

The Affirmative Side of the Argument.—The foregoing criticisms are perhaps sufficient to indicate that the arguments are not all in favor of holding regular sales conventions. However, there are many who take fully as vigorous a stand in defense of the institution. One writer on the subject says:[3]

"A properly conducted sales convention is an investment, not an expense. When I hear of houses giving up their sales meetings I am constrained to believe that the fault did not lie within the idea but rather in its execution. Similarly, opposition to the holding of such gatherings by concerns which have not enjoyed the experience is usually based upon ignorance or prejudice. . . . Anyone who fair-mindedly studies and investigates the experiences of those concerns whose meetings of salesmen have become a part of the general plan of operation cannot help becoming an enthusiastic advocate of the idea."

[3] EARL D. EDDY, "Sales Conventions that Prove Worth While," *Printers' Ink*, Jan. 4, 1917.

The Sherwin-Williams people, who have held conventions of their salesmen since 1881, say:[4]

"Do conventions pay? Our experience has been that every convention we have ever held has paid, and paid big. It has not only paid in increased business (we place that last); it has paid its biggest dividends in men."

The loyalty of the sales force is likened to that of the students attending a college, whose loyalty is unshakable. The Sherwin-Williams Company is proud of the fact that the labor turnover among their salesmen is very low, many men having been with them fifteen or twenty years, in spite of efforts of other concerns to attract them.

Paul H. Nystrom, merchandising counsellor, is a strong advocate of sales conventions.[5]

"It would be hard to imagine any live sales concern which would not have several specific objects or purposes for holding a sales convention at least every six months, and there are not a few who hold at least district meetings a great deal oftener than that."

These are the words of Charles W. Hoyt, sales and advertising expert.[6]

"There is no more effective way to secure the coöperation and confidence of salesmen than by the use of meetings or councils."

Points to Be Considered.—Before a sales manager finally decides to call a sales convention he should consider the proposition very thoroughly. T. W. Van, who has conducted many successful conventions for his firm says the situation should be analyzed something as follows:

1. Just why is the convention being called? Is it because there is some definite purpose or purposes, or merely because other firms have them and we wish to keep up with the fashions of business?

[4] C. M. LEMPERLY, Advertising Manager, Sherwin-Williams Company, "How to Carry Through a Big Sales Convention," *Printers' Ink*, Dec. 3, 1914.

[5] "Some Points on the Technique of a Salesmen's Convention," *Advertising and Selling*, April, 1918.

[6] HOYT, "Scientific Sales Management," page 89.

2. Have the expenses been figured carefully? (This point will be taken up more in detail shortly.)

3. The sales manager should ask himself, "Would I be willing to draw a check on my personal funds to cover the expenses of the convention? Am I that certain in my own mind that the results would repay the outlay?"

4. Have I thought the thing through and thoroughly visualized the results I wish to accomplish?

5. Have I laid my plans carefully and attended to all details?

6. Do I realize that the convention is the measure of my ability as sales manager? That its accomplishment can be no greater than my vision?

The Cost of Holding a Sales Convention.—The cost of a sales convention is usually underestimated. It is wise to know the probable costs and to compare them with probable profits. One discussion of this important topic outlines the proposition in this way:[7]

To make visualization easy let us take the case of the mythical North American Products Corporation, with 50 road salesmen; with 8 domestic branches, each with a manager, an assistant manager and an average of four city salesmen and with facilities at headquarters in New York so that no outside conference rooms need be hired. Let us further assume that the "N. A. P. C."—our mythical corporation—feels that a national sales convention to be worthy of the name means the assembling of all salesmen and branch managers and assistant managers.

This gives us a total of 98 men from outside to be brought to New York for the convention, which we can assume to be of the familiar 3-day-duration type. Let us be conservative and allow only 1,000 miles per man for travel. Compute this on a 3.6 cents a mile basis for transportation, and 1.4 cents to cover Pullman and sleepers. Now 98,000 miles times 5 cents a mile equals $4,900. Let us allow an average of 6 days' expenses at $7 per day (exclusive of transportation); 6 times 7 times 98 equals $4,116. Now consider the salary item of these 98 men on a $4,000 a year basis; $11 a day times 6 days times 98 equals

[7] *System*, January, 1922.

$6,468. This makes a tidy little total of $15,484 before we have hardly started.

The institution of an annual convention, in the opinion of an expert who has continued his investigations over a period of a dozen years and more, is that this convention should be charged with the following—the tabulation being the annual number of hours properly spent on convention work by the executives named. The figures include attendance at convention sessions.

President	43 hours
Two vice-presidents	180 hours
Sales manager	248 hours
Two sales manager's assistants	400 hours
Advertising manager	180 hours
All others	300 hours

The cost of this time on a salary basis he estimated to be $4,871.

Based on the best of current practice it would be entirely fair to allow an even $1,000 for decorations and entertainment to wives of executives and salesmen. A second $1,000 is safely budgeted for the daily convention paper, menus, advance bulletins, etc. A third $1,000 is alloted for souvenirs, cost of convention gathering in plant, carpenter work, and excess cost of banquet over the $7-a-day living expense figure.

Thus far we have not taken into consideration the loss of business due to the salesmen's absence from their territories, the branch managers' and assistant branch managers' absence from their posts, and the disruption of business at headquarters due to convention activities. Nor have we charged the convention with the lost profit which headquarters and the branches would have made if they had spent time on other methods of sales promotion.

These items can be estimated—based on a normal performance of a 20 per cent semi-gross profit over salary and expense for salesmen and a 20 per cent semi-gross profit over salary for inside workers—as $2,921.

This gives us as a cost:

Transportation	$4,900
Traveling expenses	4,116
Travelers' salaries	6,468
Inside salaries	4,871
Decorations, etc.	1,000
Convention paper, etc	1,000
Souvenirs, etc.	1,000
Lost profit	2,921
Total	$26,276

This is admittedly conservative in every item. It makes no allowances for costs often assumed by conventions, such as traveling expenses for salesmen's wives, expenses and payment for outside speakers, and elaborate sight-seeing excursions. It is a low estimate for a straight-ahead businesslike type of convention with only a fraction of possible entertainment features for the outside force, and the wives of the outside force, and home-office executive staff.

It is fair to estimate that a convention with 100 men from outside will cost a minimum of $25,000; that a convention half that size will cost $15,000, and that where national distribution is covered by 25 salesmen and two branches, the cost will be $9,000.

Some conventions cost huge sums, even as high as $100,000.[8]

Aims of Sales Conventions.—In view of this staggering expense, what do sales managers expect to achieve by holding conventions? Obviously, increased profits are the ultimate goal, but this is attained through various means. Among the things the convention is supposed to accomplish in order to increase profits may be mentioned the following:

1. To correct faults of attitude and selling methods on the part of the salesmen.

2. To impart new ideas so that they are assimilated thoroughly, thereby making the salesmen more efficient.

3. To teach salesmen how to analyze themselves, their goods, their territory and their customers. This ability to analyze is at the foundation of any system of training.

[8] J. G. FREDERICK, "Modern Sales Management," page 177.

4. To turn complaints and grievances into constructive suggestions for improvement.

5. To induce salesmen to take active part in the discussions. If they express real regret when the convention is over, it may be assumed that it has been a success, provided it has not been wholly social.

6. To implant in the hearts of the men a larger feeling of pride and loyalty in the house, its policies, products, and in their associates, at the headquarters and on the road.

It will be seen from the above that the convention is to a degree educational in character. Indeed, the National Cash Register Company classifies the convention under the head of its educational activities. Some concerns have recognized the educational character of the convention by employing the services of a professional educator to help in planning the program and presenting the ideas.

"If a convention is anything it is a school. Therefore educational methods should be employed. Most sales conventions, it may be suggested, fail to cash in most fully for the simple reason that they do not employ the best educational methods." [9]

The other phase of the convention is inspirational. One writer on the subject calls it the "revival meeting of business." [10] The salesman, working alone in the midst of conditions tending to discourage, needs this contact with his fellows and a refreshing of his confidence in house and product.

Then, of course, there is the feature of entertainment, which is usually a part of the convention program, but which may be planned to partake of the educational and inspirational elements, so that it is not strictly an end in itself.

When Should Conventions Be Held?—Assuming that we have concluded to hold a sales convention, the next question to be settled is as to the best time to hold it. A corollary of this is the question—how often should we hold our conventions?

Most businesses have a slack or dull season, no matter how well balanced they may be. The practice has thus grown up of

[9] *Advertising and Selling*, page 8, April, 1918.

[10] "Sales Conventions, the Revival Meetings of Business," *Printers' Ink*, page 26, Oct. 19, 1911.

holding the convention during this season, usually just before the men start out into their territories. This has made the annual conference the more common type.

But there are businesses with more than one season. In this event, many concerns hold conventions just previous to each season. One successful sales manager says:

"Our salesmen travel not only in Texas, but in half a dozen neighboring states, and it means considerable expense to bring them all to headquarters, but since last June we have been doing this once a month and profiting by it." [11]

"Many lines of business have the salesmen at the home office once a week. In such cases it pays to hold a council every Saturday. . . . Conditions differ in various sorts of industries as to the frequency with which salesmen may be brought into the home office." [12]

A wholesale grocery house would have its men in for a conference each week or two, while a big specialty manufacturer might handle the situation nicely with annual get-togethers. A compromise or combination may be worked out by having an annual national convention and several district or smaller conventions scattered throughout the year. This method is approved by many concerns which use it successfully.

In deciding upon the frequency with which the conferences should be held, the influencing factors are chiefly the expense involved, the necessity for restoring the morale of the sales force, or of imparting education. If it costs little to hold a conference, and there are frequently new ideas to impart to the sales force, the conferences should be held often. A city sales force for an automobile agency should have a conference each day, as should advertising solicitors for a metropolitan newspaper, because there is much new information to be imparted each day and the conference costs nothing.

How Long Should the Convention Last?—The next decision to be made is regarding the length of the session. This can best be decided by the rule laid down by Abraham Lincoln when he said a man's legs should be long enough to reach from his body to the ground. The length of the sales convention

[11] *System*, page 238, August, 1921.

[12] HOYT, "Scientific Sales Management," page 89.

should be just that time necessary to accomplish what must be accomplished. No better or more accurate rule can be formulated. As a matter of practice, however, the usual convention seems to have a three-day program, varied occasionally by shortening it to two days or lengthening it a day or two, sometimes to a full week.

Suppose we take the three-day program as standard, which three days of the week should we utilize? Most conventions are held either on Monday, Tuesday and Wednesday, or on Thursday, Friday and Saturday, so that the men may use Sunday for travel. Those who favor the first three days point out that this arrangement gives the headquarters personnel a day of rest before the hard drive of the convention. Those who favor the Thursday, Friday and Saturday dates have the strong argument that the day before the convention should find all sources of convention supplies open and every man on the job. Further than this, they point out that a day's rest after convention is a physical and mental necessity and that the idea of the Sunday preceding the convention as a day of rest is a rare joke, since it grows in practice to be a day at the office for all red-blooded insiders.

One authority on the subject solves the problem in this wise:

"My own preference is for a Wednesday, Thursday and Friday convention. This starts the week right, kills off the 'double mail' of Monday, and gives two more 'clean-up' days and nights before the convention. It gives a half or whole day Saturday—preferably a half-day—for emergency dictation and conference before the week-end of rest. It usually proves that many salesmen will require both Saturday and Sunday, at least, for their return trip, and so the Wednesday, Thursday, Friday dates waste no time on that score." [18]

Deciding Where to Hold the Convention.—The next question is as to the place of the convention. Other things being equal, where the entire sales force can be brought in, the factory is the best place. This is especially true where the product is more or less complicated in its process of manufacture or where the line is extensive. The Sherwin-Williams Company finds its conventions more successful when held at the factory, although

[18] *System*, page 107, January, 1922.

they have been held at other places. The advantage of holding it at the factory is that it offers opportunity for letting the sales and headquarters forces become acquainted.

"Most of the troubles we have with our sales force are troubles of misunderstanding. How can you expect a salesman out in Seattle to appreciate production difficulties when he doesn't even know how the stuff is made? It is no wonder they rave about slow deliveries, for they don't know what we are up against. And then there is the other side to it. I'm not satisfied that we have a full understanding of the salesman's troubles here at the factory. The salesmen who are writing in, complaining, are probably not a bit more unreasonable than we are if all the truth were known. It isn't that either side is unreasonable. The trouble is we haven't all of us—salesmen, officers and department heads—got the same broad, general view on the whole selling problem." [14]

Another sales manager stresses the improved coöperation resulting from the mingling of factory and sales force: [15]

"The factory executives—superintendent and foremen—sit in the meetings, and we have noted a good deal better team-work and co-ordination between the selling and manufacturing forces since they began. The factory has really got the selling point of view to an extraordinary degree. In one recent meeting several salesmen agreed that the stitches in some of our numbers should be shorter. The salesmen admitted that the stitching was as substantial and lasting as anyone could want it to be, and if I recall correctly the factory point of view, as I reflected it in the old days when I was a factory man exclusively, our reaction then would have been, 'Well, then, what are you kicking about?' We wouldn't have caught the fine selling point involved. But in this case, thanks to the mutual understanding built up in the meetings, the factory men listened and saw what was in the salesmen's minds. The trouble, it seemed, was that the long stitches gave the garments a less finished appearance, and made them harder to sell. The foremen and superintendent were as keen as the salesmen themselves to have the trouble set right."

Besides this increased coöperation and knowledge of factory processes and product, there is the prestige gained by the salesman who can go out into his territory and remark casually to his customer, "When I was at the factory a couple of weeks ago I took that very matter up with the president (or the production

[14] *Printers' Ink*, page 65, July 15, 1920.
[15] *System*, page 239, August, 1921.

manager or the treasurer or the advertising manager) and he said to me—" It gives the salesmen added authority as the direct representative of the firm.

On the other hand, it may be advisable to hold the convention in some more accessible place, bearing in mind the costs of transportation. Hotel accommodations and facilities for adequate entertainment are also factors in locating the convention place.

The Open-air Convention.—Occasionally, a concern breaks away and holds its convention out in the open, and this practice is apparently gaining popularity in those industries in which the summer is the dull season. One elaborate effort of this kind is described thus:

> "A tented city was put up with very comfortable tents of the latest construction for the men. The city itself was laid out in streets with proper numbers and with walks running between the tents. At one end of the field was a splendid series of shower baths, piped for hot and cold water, lavatories, a very comfortable barber shop, with a complete outfit such as you would find in a well regulated hotel. A dining tent, splendidly equipped, a lounge tent, filled with easy chairs and couches, post office in charge of an official, with boxes just the same as a regular post office—a box for each man; a properly equipped telegraph office; a tent equipped with a dresser for each man, with toilet articles on each dresser. Long before the men came from the station their baggage was delivered. A laundry system, a lecture tent, with stereopticon and motion pictures, electrically lighted, were operated. The camp was situated out in the country, miles from the factory. It was the most amazing thing that the men who attended it had ever known and of course it left an impression on the men which brought increased efficiency in selling."

It may be doubted whether such elaborate plans are ordinarily wise.

The Autocall Company of Shelby, Ohio, a town of only 4,000 population, was confronted with the problem of staging a helpful convention in such a small place. The executives felt that the salesmen, accustomed to working in the larger cities and putting up at good hotels, might not enjoy the week at headquarters. One convention held there had not been fully successful.

The solution was to establish a camp about a mile from the center of the town in a shady grove. It was not so elaborate as the effort just described, but comfortable tents, shower baths, etc., were provided. Splendid meals were furnished in the mess

tent, which were perhaps the more thoroughly appreciated because of the fact that the men were out-of-doors most of the time.[16]

The Conklin Pen Manufacturing Company recently held its annual convention for a week at Devil's Lake, Michigan, fifty miles from Toledo, with fifty salesmen in attendance. The sleeping tents housed four men each, while they all ate in a big dining tent. The sessions were held in an open pavilion on the lake. Regarding the success of the idea, Mr. Cobb, the sales manager, has this to say:[17]

"The outdoor convention was so far ahead of any we had ever held that there can be no comparison of results. I consider the sales convention week the most important week that the salesmen put in during the whole year. . . . Did the salesmen like it? Well, at the close of the last session they got together and recommended unanimously that all future conventions be held in camp. One of the big things was that we kept our sales force in one great big unit. At the ordinary city convention salesmen divide into little cliques and stay in those cliques. . . . Another thing I'd like to bring out is that the men were on their toes all the time. Our morning sessions commenced at 8:30, and usually for about an hour before that there was a ball game. Every morning the ball game broke up promptly at 8:30, and we didn't have to use any bells to stop the game. . . . I believe it was far and away the best convention we ever held."

The Traveling Convention.—Where the necessity for witnessing manufacturing processes is not so keen, the convention may be taken to the salesmen, as has been done by a number of large concerns. For example, the Thomas A. Edison, Inc. convention in 1920 was held successively in three cities, New York, Chicago, and San Francisco. For some years the company's conventions had been held in New York, in one of the larger hotels. This proved convenient for Eastern dealers, but not so convenient for those in the West. The new plan comprehended a two-day session in each city—one program three times repeated—and the whole time consumed from the day of the opening meeting in New York to the closing meeting in San Francisco,

[16] "Two Birds with One Stone," *System*, page 811, June, 1921.
[17] *Printers' Ink Monthly*, September, 1921.

including time en route, was two weeks. The result was an attendance that broke all records.

It will be seen that if a concern really wishes to hold a sales convention, it can be done—somewhere.

Preparations for the Convention.—Now let us examine the preliminary work of preparing for the convention. It is the consensus of opinion that the start should be made six months before the date set for the convention. This early start is necessary for two reasons: the plans for the program and physical arrangements must be complete, and the salesmen must be sold on the convention idea so that they are eager for the time to arrive.

Some discussion of the organization behind a big convention may help to an understanding of the preparations which should be made. The Beaver Board convention is held the first week in January, thus making good use of the dull season. In preparation for the January convention the executives at the home office get together early in August. They hold a regularly organized meeting where things are not simply talked of, but decided. Each man is given some part of the job to handle, and when it has been assigned to him it is up to him to see that it is done on time. For instance, one will be given the job of handling the traffic end of the convention. Then there are the decorations, accommodations, entertainment and all the other headings which naturally suggest themselves. Every man takes at least one job. They elect a chairman and go to work.

The committees necessary, will naturally depend on the type and activities of the convention, but one concern divides the work among the following: general, hotel, entertainment, transportation, decoration and display, reception, estimates and expenses. Each of these committees has about three workers and a chairman. It is the usual practice to have these committees report to the sales manager, or to the vice-president in charge of sales. As an example of the detailed work which some of the committees perform, we may cite the instance where the chairman of the transportation committee arranged for a special train from Chicago to the convention city, rode in with the men, and gave each one the key to his hotel room while he was still on the train. The hotel committee had pre-registered each man so he needed only to go to his room when he arrived, thereby saving

the tedious delay and confusion of registering. Fortunately, a convention of this sort is something which can be planned in advance and in minutest detail, and it is just such planning which alone makes for success.

The task of arousing the salesmen's interest in the approaching conference is accomplished chiefly by means of letters and bulletins. The house organ, if there be one, also begins to "talk it up" several weeks ahead of time. It matters little whether the salesmen have their expenses all paid or whether they are compelled to stand their own hotel bills while at the convention, it is necessary to "sell" them on the desirability of attending. Even though they were compelled to come, with all expenses paid by the house, it would be desirable to stir up their interest, for unless this were done they would not enter properly into the spirit of the sessions and the convention would "go dead." This selling the convention to the salesmen is usually carried on by the chairman of a committee, a man who is versed in the theory of advertising and able to turn out letters and bulletins that will "pull."

The tone and spirit of these announcements to the sales force is typified by the following, sent to its salesmen by one big concern.

"You are interested to know about that good old general sales conference. It will be the best ever this year.

"The Time Is: September 9, 10 and 11. The Place Is: The Monmouth Hotel, Spring Lake, New Jersey, overlooking the Atlantic Ocean.

"Type of Conference: Educational, School, Small Class Instruction Plan.

"Plan to make it part of or all of your vacation; here's why:

"Spring Lake is as beautiful a seaside resort as lies along the Jersey Seaboard.

"The Monmouth Hotel stands 300 feet back from a 6-mile bathing beach. Not far behind the hotel lies Spring Lake, with sail boats and other attractions of a still, fresh-water lake.

"Near the Hotel are tennis courts and golf links. Also there are horses for those who are inclined to equestrian habits.

"Aeroplanes at your service.

"It's a wonderful place for work and recreation.

"There will be morning sessions and short evening sessions, with the afternoon off for the recreations which please you most.

"Instead of being tired at the end of the conference, we intend that

every man shall leave feeling mentally and physically fit for the next year's work.

"This is such an attractive and restful place that it will be well to arrange to make this your summer vacation, or at least a part of it.

"How to enjoy the conference most: Push forward in sales work between now and then. Secure enough orders so that you can come to this get-together with a smile all the way across your physiognomy.

"As you work from day to day, think about the conference.

"You'll hear more about this conference in letters which you will receive every few days."

All letters relating to the big event were sent on a special letterhead.

Building the Program.—Much of the interest is aroused through the preliminary discussion of program subjects. In most concerns the framing of the program is not done without consulting the men on the road who are supposed to benefit from it. One firm sends to each member of the sales force a questionnaire, months before the convention date, which carries about a score of questions on various subjects touching sales problems. The questions are carefully selected and carefully worded, so that by studying the answers the sales manager is able to get a pretty good idea of where his men stand on selling policies. The questionnaire has something of the atmosphere of a secret ballot blended with a prize competition. Three prizes are offered for the best answers—$100 first prize, $60 second, and $40 third. Each of the questionnaires sent out is numbered and comes back filled out but not signed. The general sales manager holds the key and he is the only one who knows from whom the answers come. This protects the salesman from the possibility of stirring up any ill-will in case his replies to the questions are too frank. After these replies are all in and digested they are used in selecting subjects for discussion at the convention, and the men who seem most interested in a particular subject are chosen to lead the discussion, the general sales manager acting as chairman and referee. In order to be sure of what subjects are the most interesting the replies to the questionnaire are discussed at a meeting of district sales managers held before the executives' meeting.[18]

[18] *Printers' Ink*, page 66, July 15, 1920.

Another unique method of getting the salesmen's interest in the program was that adopted by the Monroe Calculating Machine Company.[19] About two months before the conference, salesmen were assigned selected subjects and asked to prepare papers as usual. These were mimeographed and bound at the home office, with an outline questionnaire following each paper. The bound copies were sent out to the men in the field three weeks before the conference with the request that they read one article a day and fill in the questionnaire on that article with whatever questions they wished to have discussed at the conference. The prepared papers were not read at the conference. Instead, the men who prepared them proceeded immediately to lead a discussion on the subject, as suggested on the questionnaire.

Some system of submitting to the salesmen, in advance of the convention date, the questions which are to be discussed seems advisable. Otherwise, they will follow the leaders in the discussions on the floor and the value of careful deliberation on the problems will be lost. The salesmen should be impressed with the idea that the convention is their own particular activity; that it is being held for their benefit quite as much as for the profit of the firm. The responsibility for framing a helpful program should be put up to them also. Likewise, the "inside" men not so directly concerned with the selling end of the business must be sold the convention idea, or the proper coöperation will not be achieved.

The character of the program will vary with a number of factors, but in general, programs are somewhat similar. The proportion of entertainment and serious sessions varies widely, with a tendency toward emphasizing the more purely business aspects. The two extreme views on this question of relative emphasis are set forth well in the following:

The salesman says:

"The men are bored if the program starts out on the first day that the boys are in town, with a meeting at 9 o'clock, a two-hour talk by the credit man, followed by more talk, followed by a group luncheon, followed

[19] "Why Our Sales Picked Up Last Fall," *System*, page 671, May, 1921.

by more talk, followed by a group dinner, followed by a smoker, with next morning a lecture at 9 by the superintendent. . . . There should be nothing on the program for the first day. Let all the boys get themselves talked out, and let everybody who has a kick to make about his expense check, etc., get it off his chest. There should be no entertainment arranged for the evening; the way should be cleared for little private parties. Next day have a short meeting at 11 with the president as the big gun. Then have the real stuff—with discussion of selling methods, answering objections, etc. 'A few well-chosen entertainment stunts are better than too many."

The other extreme is represented by the very successful conventions held for many years by the Koken Barber Supply Company of St. Louis with sixty salesmen. They carry three sessions a day for five days. Real work predominates, beginning with the morning session from 8:30 to 12:30. In the afternoon the session runs from 2 to 5:30 and in the evening from 8 to 9:30. The most essential feature of a good program, in the opinion of the sales manager, is that every hour of every day and every night be filled with activities which are so well balanced that no exception can be taken to them.

Regarding the Entertainment Features.—It seems fairly clear that to-day it is unprofitable to entertain the men too lavishly. As a matter of fact, aside from interfering with the serious purposes of the convention, such a policy causes the concern to lose caste with its own salesmen. Some diversion must, however, be provided to avoid the danger of dissipation. If the number of men is small, a theater party with special features is popular. No matter how large the concern, a banquet is always a feature of the entertainment program. In the summer some sort of an outing or picnic can be held. A smoker will serve to occupy one evening pleasantly, if sufficient care is devoted to originating and staging clever stunts. In one large organization the smoker is the big event of the convention, each year furnishing some surprise to the men. This event should be informal, some firms preferring to hold it in a room with small tables to facilitate the serving of refreshments.

In the case of out-of-door conventions the entertainment problem solves itself. The men play baseball, pitch horseshoes, swim, or hike, in the daytime and are usually ready to retire at a fairly early hour. The task of appealing to their jaded appetites

is also simplified, as twenty-four hours a day in the open air serves to aid digestion better than any sauce. Where the convention is held in a small town, the noon meals may perhaps be served by some local organization of women. Such a plan has worked well more than once, the home cooked food being greatly relished by the men, weary of hotel fare. Some plan of keeping the men from scattering at noon is wise if the afternoon session is to be started on time.

The following account of an out-of-door convention makes clear the program, so long as the weather is pleasant.

"After a sound sleep out in the open, a brisk cold shower and a leisurely perusal of the morning paper, they were called in to wonderful breakfasts. There never were any better meals than those served out in the open those four days. After a hearty breakfast there came an hour of lounging around, and then the morning convention session in the main tent.

"At noon, dinner, then an hour for rest or recreation and then an all-afternoon session with no recess—and despite the long sessions the time was so well spent and the salesmen were so keenly alert to the problems that came up that they arose from their chairs regretting that the time given over to business had flown so fast. They craved more.

"There was an hour of leisure before supper; then, after a big meal, some sort of entertainment was provided. One night it was a vaudeville show given in the village opera house, to and from which the salesmen were transported in autos. Another night they held the initiation into the Ancient and Aromatic Order of the Pink Goat, an Autocall Organization. Into this order all salesmen who had not sold their quotas during the year past were initiated by the charter members, salesmen who had sold their quotas. It was an evening of hilarious burlesque.

"During the leisure hours of the day ball games were played, while those who did not enjoy the national pastime tried their skill at pitching horseshoes, playing cards, or simply resting under the trees.

"One of the most interesting and novel parts of the convention was the mock trial held the first night. During the year two sales representatives had started an argument over splitting a commission. The home office, after much effort, had been unable to reach a decision as to whether or not the commission should be divided. So the convention decided it.

"An honest-to-goodness circuit judge was obtained to hear the case and two attorneys were induced to handle the two sides of the case. A jury was impaneled from among the salesmen. Both parties had agreed to abide by the verdict, which the jury returned without delay."

Another Typical Program. Here is another typical program, emphasizing the group discussions for the salesmen and the entertainment features for the ladies:

WEDNESDAY

For Men	For Ladies
9:00-10:00 Registration	10:00 Address of welcome
10:00-12:15 General Session	Balance of morning, sightseeing trip
12:30- 1:20 Luncheon at factory	Afternoon—Free
1:30- 3:00 Group sessions	Evening—Dinner party, wife of president as hostess, assisted by wives of vice-presidents and general managers
3:10- 4:15 Group sessions	
4:25- 5:30 Group sessions	
6:00- 7:30 Group dinners	
8:00-10:00 Conference smoker at factory	

THURSDAY

For Men	For Ladies
9:00-11:00 General session	Morning—Free
11:15-12:15 Group sessions	Luncheon—Mrs. Sales Manager and Mrs. Advertising Manager, hostesses at club or hotel
12:30- 1:20 Luncheon at factory	Afternoon—Free
1:30- 3:00 Group sessions	Evening—Free
3:10- 4:15 Group sessions	
4:25- 5:30 Group sessions	
6:00- 7:30 Group dinner	
8:00-11:00 Individual conferences at factory	

FRIDAY

For Men	For Ladies
9:00-12:30 General session	Morning—Trip through factory
12:45- 2:30 Luncheon at club, or hotel, if nearby	Luncheon—Free or given by visitors to wives of management and executives
2:45- 4:00 Group session	Afternoon—Free
4:00- 5:30 Final business session	Dinner—Given by company to all wives of salesmen and executives
5:30- 6:30 Announcement of votes and decisions when possible	Evening—Theater party given by company
7:00- 9:00 Banquet at hotel	
9:00-11:00 Banquet novelty entertainment	

Considering the Salesmen's Wives.—The custom of providing entertainment for salesmen's wives is growing in favor as it is being appreciated more fully that a salesman's wife is a potent factor in his success. The National Cash Register Company was the first to hold a special convention for its representatives' wives, putting on a real convention for them in 1917 at an expense of $50,000. The object was to convince the wives that they played a large part in the success of their husbands. The wives were enabled to understand more fully the work in which their husbands were engaged and were shown many ways in which they could help. The typical program on page 178 indicates the development of this tendency. When the wife is thoroughly sold on the firm, she is less likely to take sides with her husband against his employers and fan some petty irritation to a flame of unreasoning anger.

Importance of Group Meetings.—The idea of group discussions a part of the time instead of holding general sessions all through the convention is one which commends itself to any manager seeking to stage a sales convention in which the educational purpose is uppermost. Teaching can be more effectively carried on in small groups than by the lecture method, as any teacher knows from experience. This plan may impose a heavier burden on the "instructors" but it is well worth trying if it can be arranged.

In addition to the general sessions and group discussions attention should be given to individual conferences. Some students of sales management consider these personal conferences the most valuable feature of conventions. This is particularly true of sales forces having a fairly high percentage of new men. Long before the convention each salesman's work and needs should be studied by the sales manager and advertising manager separately and in joint sessions. Each salesman should be assigned for conference with some member of the executive staff. These individual conferences can precede and follow the regular convention sessions. The new men will ordinarily be seen before the convention date, as there will be much to tell them in order that they may have an adequate background. The post-convention conferences are usually with the older men, whose

counsel it may be desired to seek on points of policy raised at the convention.

Selecting and Coaching the Chairman.—Assuming that there are to be several general sessions, the first matter is that of a chairman. Opinions differ as to whether the sales manager should act as chairman. In most conventions he does so act as a matter of course, but there are alternatives. One sales manager says that he has discovered that much better results are obtained through allowing a salesman to act as chairman while he occupies a seat on the "floor" with the "boys." Or one of the other executives may act as chairman, perhaps taking turns. No matter who acts in the capacity of chairman, the choice should be carefully made. The success of the convention depends largely upon his ability to control and vitalize the discussions.

The most glaring fault of most sales conferences is that they drag. The chairman will see to it that the debates are not prolonged beyond a profitable point; he will keep the discussions on points of general interest and will not permit two or three men to carry on a discussion in which they alone are interested. He will insist that every remark be addressed to the chair, thereby eliminating the desultory debate which so often deadens a meeting.

He will emphasize the absolute necessity for starting each session on time and will brook no tardiness from anyone. He will do this in a tactful manner, but he will get the idea across. He will break up little "sub-conventions" composed of three or four kindred spirits who convene in the rear of the hall and carry on a low-voiced conversation which is vastly disturbing to the assembly. He will insist upon the speaker sticking to his time limit, whether he be the newest junior salesman or the president of the firm. He will sum up the important points in the talks and present them for discussion to the convention in the most tangible form. He will not keep the meeting waiting one minute for him to arrive, nor will he leave the meeting without a chairman while he attends to his duties elsewhere. He will not permit frequent interruptions of the proceedings, especially by anyone seeking to consult him or call him to the 'phone. He will realize that such interruptions distract attention from the speaker. And above all, he will not attempt to do all the talk-

ing. He will appreciate that the highest success of the convention depends upon his inducing the salesmen to talk, freely but to the point, while he merely directs without stifling helpful discussion.

Modern Improvements in Program Building.—The methods of presenting the ideas at a convention have changed greatly in recent years. As one salesman says, "There have been tremendous improvements in sales conventions during past years. Instead of reading dry, dehumanized lectures, sales managers now aim to visualize their story through graphic charts, diagrams, motion pictures and models—get it across the footlights."[20] And speaking of footlights, those in charge of the program for some conventions have gone to great lengths to prepare really high-class plays for the entertainment and instruction of the salesmen. The Beaver Board people got up a play that was so good it had to be repeated for the benefit of the general public of Buffalo. William Maxwell, sales manager for Thomas A. Edison, Inc., wrote five short plays for his 1920 convention, each to illustrate one special point. Professionals were engaged for the parts and rehearsals began a month before the date set for the convention. A scenic artist was employed, special scenery arranged for, costumes and all accessories provided.

Moving pictures have been used to quite an extent, special scenarios being written for the occasions. This principle of visualizing every idea has been worked out to the uttermost lengths by the National Cash Register Company in its conventions. A salesman does not tell his fellows of a newer or better way to sell cash registers. He gets right up on the platform and demonstrates, another man acting the part of prospect. Charts, moving pictures, placards, models, etc., all make the appeal to the eye while the speakers appeal to the ear.

Of course there must be speakers. There is a difference of opinion on the advisability of importing outside speakers—men from outside the organization. The consensus of opinion is that the number of such should be kept at a minimum. If it seems necessary to bring in one or two to speak on special matters, it

[20] "Sales Conventions from a Salesman's Viewpoint," *Printers' Ink*, Oct. 19, 1916.

may be a good policy, but speakers from outside are likely to lack the background and the spirit of the meeting. Their messages are likely to be general and of slight practical application to the work in hand.

From within the organization the credit manager, the advertising manager, and the president usually make a few remarks. Of the three, the session in charge of the advertising manager is likely to be the most spectacular. At this meeting he tells the men what the company is planning to do to help them sell goods, the complete campaign for the coming year is on display somewhere in the room, and the advertising manager explains to the salesmen the reasons for the campaign, discusses its strong points, and tries to prove to the men that the advertising will increase their sales. If an advertising agency is used, the agency should be represented at the convention.

The Physical Arrangements.—There are some details of physical arrangements for a convention which may be mentioned. Some concerns fail to grasp that there is a money value in the creation of a "Convention Spirit." It never occurs to them to have headquarters change its appearance during convention time. But the most careful convention managers make it easy for the salesman to distinguish between the convention visit and any casual visit he may make to headquarters. Often the personnel at headquarters regard conventions as disturbing abnormalities which must be endured for a season, even though they do interrupt the regular routine. This antagonistic frame of mind must be cured, as the salesman must be made to feel that the headquarters staff is behind him and working harmoniously with him. A bulletin sent to each member of the home office force before the convention will help to make him appreciate that company is coming and that he must be on his good behavior.

The right sort of a meeting place must be provided. Good acoustics must be assured, so that speakers can be easily heard, and an abundant supply of pure air must be furnished. The men are likely to smoke quite a bit, and if the ventilation is not first class the air will become so foul that clear thinking is quite out of the question. The temperature of the room must be right, or the men will not be comfortable. . . . Plenty of cool drinking water must be available.

A good convention hall may be arranged in a vacant room of the factory by fitting it up with small tables, chairs, and the necessary stationery, souvenir post cards, pencils, etc. Each desk can be labeled with the name of the salesman who is supposed to occupy it, which helps the chairman to call each man by name instantly and also reminds each man that his absence would be noticed. The placing of desks also avoids having the men scatter themselves through a large hall instead of bunching up in front as they should.

Salesmen are not accustomed to sitting down all day in a smoke-filled room and naturally grow nervous and restless if compelled to sit through long sessions of "talk." Frequent recesses are advisable, and many firms "request" their men to participate in some form of exercise during the intermissions. One concern takes its men to the roof of the building, where they toss a medicine ball around, while others use calisthenics to get the blood to circulating and the brain cleared out.

The physical condition of the men during the convention is an important item and merits more consideration than it usually receives. In their effort to appear hospitable, the firm is likely to overfeed the men, with the result that they grow sluggish mentally and physically, developing headaches and grouches as the sessions progress. And unless the private activities of the men are regulated to some degree, the headaches are apt to have still another contributing cause—strong drink. The day of the "wet" convention is happily over, but unless the management clamps the lid down tight, the men will find liquor somewhere. One firm handles this question by definitely forbidding it. On first offense, if a man is not too valuable, he is discharged. If he is too good to lose, reasoning with him is tried. A repetition of the offense is punished by omitting him from the list of those invited to the next convention, and so helpful are these particular conventions that no salesmen wishes to miss one, and the punishment is a real one. Above all, the employers should not descend to the semblance of carousing, as the men shortly lose their respect for a boss who does such things.

Following Up the Convention.—When the men have scattered for their respective territories, the sales manager is not yet privileged to lean back, draw a long breath of relief and mur-

mur, "Thank goodness, that's over for another year." In a few months he must start planning for the next convention, but in the meantime he must inaugurate a vigorous "follow-up" to be certain that the firm cashes in on the ideas brought out at the convention just closed. Perhaps this will take the form of printing the papers and discussions, and sending them out to the men. For some weeks bulletins must be filled with post-convention matter, and special letters to the men will keep them from forgetting the lessons learned. In other words, just as they must be sold on the idea in advance, they must be kept sold after they have returned to their work.

Finally, any firm contemplating holding a sales convention, should keep sight of the two big underlying facts involved: that conventions cost money, and that they are primarily for the purpose of making profits. If every plan is measured by these two standards, applied in a far-sighted and enlightened fashion, the convention will be likely to succeed.

CHAPTER IX

LETTERS, BULLETINS AND HOUSE ORGANS

THE salesman is admittedly an isolated worker, subject to many disheartening influences. If the sales manager could get each salesman face to face in his office once each week, it would be fairly easy to inspire him to greater effort by the sound of the voice, the glance of the eye, the friendly smile, the slap on the back, the thump on the desk or the warm hand-clasp. But to carry this impression to him when he is on the road, perhaps stranded in some fourth-rate town, is a problem to be solved only by direct and highly specialized communication in the form of the personal letter, form letter, bulletin, or house organ.

As the general purpose of all these forms of communication is identical, so, too, is the general tone which should characterize them. It may be said that there are two principal types of communication; the purely "pep" or "ginger" type, and the kind which is written with a sympathetic understanding of the salesman's needs. The two types will be clearly distinguished in the examples and discussion which follow.

Keeping Lines of Communication Open.—The first requisite to a successful system of communication with the man in the field is the assurance that he will receive the matter sent him. This assumes, first, that the home office knows just where he is each day; and, second, that the home office is able to time the mailing of these communications accurately, to have them reach the salesman at the appointed place. The first point can be cared for by requiring the salesman to send in weekly an exact itinerary for the coming week, and by insisting that it be mailed in early enough to be of the most value to those at the home office. The second matter depends upon a knowledge of distances and sometimes of train schedules, which can be acquired by keeping a record of the time required for first-class matter to reach certain sections. It is not usually necessary to prepare a chart with the time for each town, but an accurate general knowledge is

needed. Perhaps the point at which failure occurs most often is in the sending of mail to salesmen in the far western part of the country. Some clerks, accustomed to the shorter distances in the East, fail to realize that it takes about five days to get a letter from New York to the man in the California territory. Certain sections are afflicted with poor train connections, also, which should be considered.

It helps greatly to enclose the salesman's mail in a distinctive envelope to enable him to distinguish it easily from the rest of the mail which the hotel clerk hands him. This distinction may be secured either by an unusual color or size of envelope, or by both. One firm uses large red envelopes in their correspondence with salesmen. This prevents their being filed in the wrong pigeonhole by the hotel clerk or overlooked by the post office clerk at the general delivery window.

A double return address on envelopes may be used in those cases where the salesman does not return to the home or branch office, but goes to his home week-ends. The return address, in the upper left-hand corner, should carry the salesman's home address, so that if he misses the letter it will be forwarded to his home instead of traveling all the way back to the office. The company return address should be printed in the lower left-hand corner in smaller type, to be used only if the letter is unclaimed at the address shown in the upper left-hand corner.

A third device designed to make certain that the salesman receives his mail is the numbering of the letterheads and envelopes. For instance, if he receives letter Number 33, he looks in his pocket and discovers that the last previous communication was Number 30. This shows him at a glance that two letters, Numbers 31 and 32, have gone astray. A note to that effect to the home office will bring copies of the two communications promptly. Or he can telephone or wire his last stopping-place and order the missing letters forwarded.

Importance of Regular Communication.—In this connection it may be well to point out that the flow of communications from the house to the salesman should be maintained at a fairly even rate. It is inefficient to permit him to receive three or four on one day and none for several days thereafter. The fine edge of his enthusiasm must be kept keen by frequent whetting. For

this reason some firms arrange the mailing schedule in such a way that the salesman receives a letter or other communication each day except Sunday. This may necessitate the preparation of a double grist of letters on Saturday so that the men will not miss a day during the following week, but the results may reward the effort.

Where the salesman receives communications from several different departments, this matter should be watched. If the credit, adjustment, accounting, advertising and shipping departments are all writing him the same week, the letters should be spread out and not concentrated in one mail.

It is generally thought that salesmen who are away from headquarters for several weeks or months at a time should receive some word from the house each day. Some sales managers insist that their men deserve a personal letter each day, but this is by no means a universal practice. Where the letter is not sent each day, a bulletin or house organ should fill in. It should be the ideal to have the salesmen hear each day from headquarters.

One thing to avoid in writing letters to salesmen is the writing of unnecessary letters. There are some managers who will dictate a five-line note to a salesman asking for the standing of a customer's account, or the amount of the last order. This sort of information ought to be available in the office, and the salesman should not be expected to search back through his records to obtain it.

THE PERSONAL LETTER

The Right Tone.—While the subject matter, the diction, and the mechanics of the letter are undoubtedly important, the vital consideration is the obtaining of the proper tone. It sometimes perplexes conscientious sales managers to understand why their well-meant letters to the salesmen seem to fail. They fail to obtain the desired results, the men do not "react" in their letters to the house, as is expected.

The ordinary routine letter of everyday business is stiff, formal, cool; it does not move the salesman to action. A thoughtless phrase may offend him. One writer on this subject says:

The far-seeing sales manager has learned the value of putting real personal interest and news value into such letters. There is an object lesson in this. Have an idea to convey that the salesman will be grateful for. Have something of genuine interest to impart. Unless you are a salesman yourself—that is, unless you have the selling sense—you cannot write letters to other salesmen. The best letter approaches the salesman on his own level. It is friendly. It is informal. It is warm. It is enthusiastic. It is sincere. It makes the salesman feel he is working *with* you, not *for* you. Give your pill of education a sugar-coating of anecdote, or a little home office news or a mild bit of humor or a story, or a picture of what some of the other boys are doing. In between the lines he will read the sales education you have skilfully implanted there.[1]

John G. Jones, sales manager of the Alexander Hamilton Institute's large force of salesmen, says:

A sales manager once sent out to each of his men a letter reading in part as follows: "Why did you fall down in making this sale? For your own benefit and ours, write me frankly." He was rather startled to receive from one of his men this reply: "Because I did not know my goods. You have been filling us so full of 'ginger' and 'boost' that we have not had a chance to learn anything about the goods."

Not Too Much "Ginger."—It is easy to overdo the "ginger" idea. The stimulation is temporary and usually does not make the man a better salesman. Furthermore, many such letters irritate more than they inspire. The salesman pictures his manager sitting in his private office, his feet on the desk, dictating the letter telling the men that the buying orgy is over and that they must now get down into the collar and make the gravel fly. Then, in the salesman's mind's eye, his manager picks up his bag of clubs and starts for the golf links at 4 p.m. Too often these "ginger" letters are written by some youthful correspondent without actual selling experience, and sent out to the men without careful editing by the sales manager. The seasoned salesman is quick to detect the letter written by an inexperienced correspondent, and it is safe to say that most such letters ought never to be sent.

One sales manager points out that it is easy for any office man to write a letter to a salesman which seems to "talk down" to him. J. C. Aspley, in an address before the Better Letters Association, came out flatly on this point:

[1] E. B. DAVISON, "The Master Letter Writer," p. 239.

I don't suppose that any of you here today think yourself any better than the salesmen representing your house on the road. No doubt you would hotly repudiate the accusation if it were made, but you cannot dodge the fact that most of the letters written by office people to salesmen, consciously or unconsciously, take a holier-than-thou attitude. Don't give the letter a tone or atmosphere that strikes a discordant note at the outset. If you want your salesmen to coöperate, make your letters a man-to-man, brother-to-brother proposition. Try to get the viewpoint that you are a brother salesman, which you are, and give the salesman credit for all he knows, and overlook what he doesn't know. This may sound like a trifling matter, but, gentlemen, I have seen some cases where a "short and sweet" letter from the home office correspondent has put a $100-a-week salesman "off his feed" for several days. And you know what that means. It means half-done work, half-closed sales, it means the loss of more business, perhaps, than the correspondent who wrote the letter could close by mail in several weeks.[2]

One large concern insists that every letter going out of the office to the salesmen must be signed by the sales manager. This does not mean that he writes all the letters, but that he sees and signs them all. This prevents some clerk from writing a sarcastic letter to a salesman just to relieve his mind. And it is a good rule to avoid sarcasm in all letters to salesmen. It hurts more in a letter than when spoken face-to-face with a kindly smile, and is likely to rankle. It is hard to know when you have gone far enough and it is easy to go too far.

The tone to aim at is the sincerely friendly tone, calculated to make the salesman feel that he has a friend back in the home office. The salesman responds readily to the truly friendly touch in a letter, probably because he spends so much of his time in a hostile atmosphere.

The happy medium between the too-serious tone and the frivolous is desirable. While the salesman is usually thought of as a jovial soul, he does not like to have his efforts regarded as a subject for jest. He is likely to be sensitive and somewhat high-strung, and rebuffs wound him more than they would a man of more phlegmatic type. Criticisms from headquarters must also be couched in careful terms.

The Contents of the Letter.—The purpose of the letter is two-fold—to inspire and to educate.

[2] *Proceedings* of the Better Letters Association for 1918, p. 14.

In a way, the letter to the salesman may be thought of as a sales letter. Its purpose is to convince and to obtain action; in short, to sell him an idea. With this viewpoint in mind we can better plan our letter, remembering that the man who reads it also is skilled in the art of influencing others.

As the good sales letter opens with some statement of interest to the one addressed, so the letter to the salesman may open with some friendly statement of appreciation for the work he has done, the order sent in. This is perhaps the most usual opening, because it is certain to interest the recipient and to be something with which he can agree—another point in a good sales letter.

The letter received that day from the salesman will in most cases provide the needed suggestion to the sales manager; it will furnish him his cue as to what line of attack to take in his reply. If the man is obviously discouraged, the treatment will be different from that given the self-satisfied salesman who has been sending in his scant quota of orders when he should be doing 20 per cent more.

The opening of the letter is not usually the proper place for criticisms of the salesman's work. If these must be included in a letter instead of being offered in person, they should be placed somewhere in the body of the letter, sandwiched in between more agreeable portions. This offering of kindly criticisms is the part of the sales manager's task which demands all the diplomacy he can muster.

The Purpose of the Letter.—It should be borne in mind that the purpose of every letter written to his men is to increase sales. None should be sent which is merely written to relieve his mind. Each letter should be carefully analyzed with the one idea in mind, it must be subjected to the one test—will it make the recipient a more loyal and efficient salesman? If it will not sustain such scrutiny, it should not be mailed.

The average salesman, who has been doing his best but has failed to produce the expected business, requires encouragement and constructive suggestions rather than criticism. A loyal salesman who has been honestly trying will have his effectiveness materially reduced by a fault-finding letter from his manager. If it is necessary to reprimand a salesman, it should be done in a letter only after each word has been carefully weighed.

No suggestion of apology for the product should find its way into letters to salesmen. They are continually hearing that side of the argument, and the function of the sales manager is to keep them thoroughly sold on it. For example, when the manager congratulates one of his men on putting over a good sale, he may easily work in a bit of enthusiasm for the product, as:

> When it comes right down to closing a hard sale, good old Premium brand has too much merit to be passed up by the shrewd buyer. It certainly is a satisfaction to feel that you are selling the very best article in its field, isn't it?

Danger of Over-praise.—The danger of overdoing the congratulations is one which every sales manager must consider. It is easy to pat a man on the back until he grows to believe that his work is so unusual that it would be impossible to get along without him. Constant praise may ruin a weak salesman, causing him to feel self-satisfied. When his sales begin to fall off and his manager feels it necessary to comment on the unsatisfactory showing, the salesman is likely to take even the most kindly suggestions as deadly affronts. Probably as many salesmen have been ruined by too fulsome praise as by too frequent criticism.

The Personal Touch in the Form Letter.—The sales manager may feel that a daily personal letter to each man is too great a burden to assume, and it may indeed be so if his sales force is large. In this event it may be wise to effect a compromise, by making a part of the letter general and a small portion personal. For example, the first paragraph might be personal, with perhaps a personal sentence at the end, while the body of the letter might be the same for all the men. This makes it necessary to write one main letter only, the personal touches for each man being quickly added.

The form paragraph or paragraphs may well contain informational material, as, for example, news regarding changes in the line, facts about the business or men at headquarters. Other informational material might cover general business conditions, competitors' activities, etc. This latter subject is best treated in the personal letter, as bulletins and house organs often reach the hands of competing salesmen.

Inspiration as well as information may be conveyed in these form paragraphs. Talks on salesmanship, deportment, talking points for the product, health hints, etc., are common subjects.

The more purely personal parts of the letter might contain facts of interest about their customers gleaned from the firm's correspondence with them. These bits of news are usually welcomed by the alert salesman, for they help him to formulate a tactful approach when he calls on the customer in question. Comments on how some other salesman is selling certain products in the line may be helpful to the man whose sales on that product are consistently low.

The content of both the form paragraph and the personal letter will depend largely upon the type of salesman employed, the length of time he is away from headquarters, whether he is selling specialties or staples.

These Salesmen Help Write Letters to Themselves.—One of the largest corporations in the United States has a unique way of making its letters personal, although each is not individually dictated. The general sales manager sends out a letter each week to all the men on the road. The greater part of this letter is made up of communications from the men themselves. All are asked to contribute something from their own experience that might help, interest, or entertain the rest of the boys: some deal they have made, some success or failure from which they derived valuable experience, some snag they have met, some discovery made, some obstacle overcome. These extracts are quoted word for word. Then the sales manager puts in his comments. These comments make the sales education. In this way the instruction is based on real experience. The men recognize it as real. They see the very problems that they have to face put forth in another man's words. They are consoled by the knowledge that other men have the same difficulties as they. They are encouraged by seeing how other men have met them. Thus the sales talk they receive is not fine-spun theory that a man comfortably seated at his desk invents as an object lesson. Then, too, the letter is a sort of a friendly bulletin that keeps the scattered force united; a kind of family tie that binds all together in a common cause.

The President Should Write, Also.—The sales manager

should never let himself lose sight of the fact that it is a great stimulus to salesmen to hear from the head of the firm occasionally. The president is the strongest ally the sales manager can have in his fight to keep the sales force up to par. These letters should not be mere rubber-stamped fakes, either, but should be bona fide letters, dictated and signed by the president or general manager himself. E. C. Simmons, for many years head of the wholesale hardware business which bears his name, maintained close touch with each of his many salesmen through a score of years. His letters, many of them penned by hand, are even yet cherished by the veterans of the sales force. The facts on which such a letter should be based can be furnished the president by subordinates, thereby saving his time. These facts will include the standing of certain accounts in the salesman's territory, recognition of good work, or indeed almost any subject covered in the regular letters sent out by the sales manager.

Of late years sales managers are writing to their salesmen on illustrated letterheads, these illustrations being in the nature of cartoons, designed to impress some definite idea on the minds of the salesmen. A variation of this is the poster stamp or sticker, which can be pasted on a regular letterhead. These add life to a letter and are calculated to put the salesman in a good humor before he reads the letter.

The Purely Personal Letter.—There is a large place for the personal letter in any system of communication between sales manager and men. While we may seek greater efficiency through standardization of correspondence, the personal letter cannot be supplanted. As one authority puts it:

> Letters to salesmen are in a class by themselves. Salesmen have such different problems to handle, their work is of such a character, their own natures are such that it is advisable not to use anything but the regular style of letter for them. Of course, this does not preclude bulletins and such communications, but in ordinary correspondence the personal touch in message and style of the letter is essential.[3]

Another writer says, in speaking of the redemption of salesmen who were near-failures:

[3] A. M. CANDEE, "Business Letter Writing," p. 236.

It is seldom possible to change men from non-producers to profit-producers by wholesale, but each man must be handled as an individual, and the method employed must fit his particular case.

One function of the personal letter not yet mentioned is to bring the salesmen to appreciate fully the viewpoint and problems of the management. When the sales manager is sympathizing with the salesman and trying to help him, he must also impress upon the latter that there are problems which must be faced and solved by the men in the office as well as the men on the road.

There is a tendency for the sales manager to use the telegram more than is necessary in his communication with salesmen. To be sure, the telegram is more emphatic than the letter, but too frequent use dulls the edge of emphasis. If the manager has an accurate schedule of each man's trip, and plans a few days ahead as far as possible, he can save something in telegraph tolls. Where possible, the telephone is more effective than the telegraph, as the sales manager can inject into the conversation emphasis and shades of meaning which cannot easily be conveyed except through the medium of the human voice.

BULLETINS

What Is a Bulletin?—The line of demarcation between the letter and the bulletin is vague, as the letter may contain form paragraphs in sufficient proportion to make it virtually a bulletin. However, there is usually a mechanical difference. The letter is typed while the bulletin is printed or reproduced on a duplicating machine.

On the other hand, there is no clear distinction between the bulletin and the house organ, except perhaps that the bulletin may be issued frequently and at no stated intervals, while the house organ appears regularly but not usually oftener than once a month. In addition, the house organ is likely to be a more ambitious product, containing much more matter and printed far more carefully.

It is evident, then, that the bulletin is a kind of connecting link, a compromise, between the letter and the house organ. In it, the sales manager can say more than he can in the usual

letter and say it much more cheaply. These bulletins are usually numbered and dated, to enable the salesman to keep them in order if he wishes to do so. The tone is not quite so personal as that of the letter, but much more so than that of the house organ. Sometimes the bulletins are designed to be included in a binder, forming a sort of sales manual. Others, containing information regarding changes in prices, new or discontinued numbers, etc., may be gotten up in such fashion that they can form a part of the salesman's catalog and price list.

Strictly educational matter may easily be included in the bulletin. Instruction in the principles of salesmanship, credit, the product itself, may be embodied in a series of bulletins. If it is desired to apprise the salesmen of their standings in a sales contest, the bulletin may bring the news more promptly than the house organ.

HOUSE ORGANS

Definition and Purpose.—A definition of a house organ might be:

> "Any periodical publication issued by a person, firm, organization, or corporation for distribution among any particular class of people, either for promoting good-will, increasing sales, inducing better efforts, or developing greater returns on any form of investment."[4]

The house organ may be published daily, weekly, monthly or quarterly; it may be in the form of a newspaper, magazine, booklet, or other device; its circulation may be confined to the salesmen or it may be also sent to dealers; but whatever the interval of publication, whatever the form, or however the circulation is managed, the purpose of the house organ is to furnish the executive an instrument for the control of house policies.

The ultimate object in establishing a house organ is to increase sales, but the immediate purpose is to obtain a better control over the men who are representing the house and its policies throughout the land. That the well-edited house organ does increase sales has been proven many times.

[4] ROBERT E. RAMSAY, "Use of House Organs in Handling Sales," *Administration*, p. 167, August, 1921.

Unquestionably, the house organ is an outgrowth of big business, which has made necessary some medium of closer contact between the executive and his far-flung firing-line of salesmen. Letters serve to maintain this contact, but they do not weld the sales force together in a unit, as does the well-edited house organ.

It is evident that only the concern with a fairly large sales force is justified in maintaining a house organ, as with a small force the personal letter and bulletin are sufficient to keep the men in contact with the house and with each other. But when the force grows large, it tends to disintegrate and lose that coherence, that *esprit de corps*, that unity of purpose and methods which is so essential if the firm is to be adequately and consistently represented in all parts of the country.

Causes of Failure.—Not all house organs are successful. The casualty list is extremely long. The causes contributing to failure may well be reviewed briefly.

One important cause of failure is the lack of preliminary analysis of cost and probable circulation. With the salesman's house organ the circulation is fairly definitely known, but the cost should be carefully estimated in advance. This cost includes the salary of the editor, the cost of printing, the cost of cuts for illustrations, much additional postage used in correspondence, and occasionally an appropriation to pay for a contribution by a well-known writer outside the organization.

Another cause of failure is the lack of an established business policy which the house organ is supposed to reflect. This policy should be reduced to writing and be constantly before the editor to guide him in his work. According to Mr. Ramsay, it should cover the following matters:

1. Analysis of policy.
2. Purpose.
   a. To increase sales by strengthening control over salesmen.
3. The editor.
4. The name.
5. The subtitle, which makes clear the purpose and plan of the publication.
6. Size.
7. Frequency of issue.

8. Cover design.
   a. Permanent.
   b. Changed each issue, and whether they are to be relevant or irrelevant.
9. Style of appeal, as to language, personality and atmosphere.

With the house policy carefully formulated on these points, the house organ will certainly represent the executive and the firm. When publication is begun, a detailed budget analysis should be kept, so that the executive may estimate closely the probable cost of maintaining the house organ on its present basis. This cost must of course be considered in connection with probable results.

Choice of an Editor.—Some of the items mentioned in the foregoing outline may be discussed further. The choice of the editor is of vital importance. It has been said that he should combine in some measure these qualities:

Author
Advertising man.
Feature writer.
Investigator.
Planner.
Printer and proof-reader.
Preacher—without seeming to preach.
Salesman.
Teacher—without seeming to teach.

It is well if the executive himself can keep his hand on the destinies of the house organ. The original house organs were edited by the heads of the firms. Benjamin Franklin personally supervised the publication of "Poor Richard's Almanac" and wrote most of the contents. In any event, the executive ought to keep an eye on each issue in preparation to be sure that it properly reflects the firm. This does not mean that under modern conditions he ought to do all the editing himself. Indeed, too often one of the causes for a thriving house organ's lingering death has been that the proprietor thought he could save the salary of the editor by getting out the house organ himself.

The editing of the salesman's house organ is usually done by the sales manager, or his assistant in charge of personnel or sales promotion. The task is not always a thoroughly pleasant one.

One writer on the subject, who styles himself a National Sales Manager, views the matter humorously:

> Until I started this house organ I had a few friends around the place. But now it's a horse of an entirely different hue. I have trod upon their feelings, I have outraged their artistic temperaments. By refusing to publish a poem written by the 12-year-old daughter of the shipping clerk I have insured myself of that gentleman's everlasting hatred, and a constant delay of sample shipments.
>
> I never knew so many people hankered to see their names in print. I never knew that so many people had hobbies. Neither did I know that everyone in our office was a member of some cult, "ism," "ology," or believed in free thinking, new thought, or had socialistic tendencies. I had an idea that they were just plain, ordinary people like myself. But I have learned that such is far from the truth. And each of them has picked on our salesman's house organ as a medium for expounding the merits of his doctrines.

It is unavoidable that the house organ editor be compelled to refuse contributions at times, but it is possible to lay down the policies of the publication so clearly that the authors of the rejected manuscripts can perceive their unavailability.

Choosing a Name and Size.—The name of the house organ should be original without descending to the absurd. Freak names do not wear well. Many of them play up the name of the firm or its product, as the Addressograph-er, Edison Diamond Points, Pen Pointers, Glove Tips, etc. The name is often chosen after a contest among the salesmen, for which a prize is offered for the best name submitted.

The size of the publication varies widely from an eight-page newspaper of regulation size to the little magazine which is scarcely more than a pamphlet and which can be slipped into the pocket. When the sales force is small, the house organ can be satisfactorily prepared on a duplicating machine in the home office. The larger concerns like the National Cash Register Company, the Burroughs Adding Machine Company, etc., with their many hundreds of salesmen, find it desirable to have their house organs printed. Whether illustrations can be used depends upon the kind of paper on which it is printed, and whether it is printed on a regular press or on a duplicating machine. To be sure, rude drawings can be duplicated on some of these machines, but half-tone work is obviously impossible. As a general propo-

sition, illustrations strengthen the interest in a house organ by at least 50 per cent. These are quite as likely to show members of the salesmen's families or their homes, as the salesmen themselves or the home office employees. There is nothing which will make for a feeling of acquaintanceship among a large force any more effectively than to be introduced through the medium of a picture.

"Ginger" or Help?—During the period of readjustment to a buyer's market which followed the war, the house organ for salesmen filled an important place in restoring the morale of the sales force, grown flabby from the era when dodging orders was their most strenuous exercise. As is true regarding letters to salesmen, the chief weakness of the average house organ is its tendency to substitute "ginger" for helpful information. Generalities are not wanted by the average salesman; he wants facts which he can use in obtaining business. Here is a communication which deals largely in generalities:

The four steps in salesmanship are—

Attention	Desire
Interest	Completion

Many sales are lost because salesmen fail to follow these steps in sequence.

To attempt to interest a man before you have his attention is as much folly as trying to create a desire before you have earned his interest, and you will not successfully close a sale unless you have created a desire in the mind of your prospective customer.

Create a desire in the minds of your customers for ——— ———, and you will find sales more readily flowing into your basket, than if you try to sell them without first trying to make them want to buy.

Contrast this with the following from another house organ:

A SERMONETTE OF "DON'TS" FOR THE SALESMAN

APPROACH

Don't ask the dealer if he is busy.

Don't say "You don't have any call for Goodyear, do you?"

Don't ask a man if he is a buyer—find out beforehand.

Don't talk about the weather.

Don't call a man out of a directors' meeting or other important conference.

Don't lose your head because the buyer swells up like a toad when he sees you come in, trying to impress you with the importance of his position.

Don't be an ordinary caller—be remembered.

Don't leave advertising copy unless you mark the particular points you want to call to the dealer's attention.

Don't solicit business in a social way.

Don't say "Good morning, don't want anything, do you?"

Don't break in on a dealer when he is engaged with a customer.

Don't use the overworked and hackneyed expression "personal matter."

Don't attempt to explain our proposition to the buyer if the latter merely comes out and talks to you as you both stand in the reception room. A man standing up feels uncomfortable and is scarcely in a position to give his attention.

Don't attempt to compel attention by loud, fast or feverish talking.

Don't set your sample case on the counter or where it will be in the way.

Conviction

Don't sell with a club. There's a reason from the dealer's standpoint.

Don't win an argument at the expense of a sale.

Don't discuss discounts—talk profits.

Don't knock a competitor's product—talk Goodyear.

Don't discuss Goodyear business or policies on trains or in public places.

Don't overstock a dealer.

Don't borrow money from dealers.

Don't say a thing is "cheaper" when you have two qualities of one product. Say it is "lower priced."

Don't ask a dealer what success he has been having with another product.

Don't talk yourself out of an order.

Don't misrepresent.

Don't make promises you can't fulfill.

Don't let a prospect influence you by his talk on competitor's propositions.

Don't build up your business on personality—it's an insecure foundation.

Don't allow the dealer to dominate the conversation.

Don't make promises which you cannot live up to in order to secure the business.

Don't waste time—talk facts and talk to the point. Remember it is not necessary to win every argument to get the order.

Don't let the dealer side-track you or talk you away from the straight line—stick to the line.

Don't exaggerate. It is not what you say that convinces—it is what the dealer understands and believes of what you say.

Don't be impractical; command the merchant's respect and confidence by being practical.

Don't antagonize him. Remember "honey catches more flies than vinegar."

Closing

Don't discount the buyer's opinion or methods. It is better to keep him on good terms with you.

Don't forget that all men have certain ideas which can be answered with the same arguments.

Don't think you are up against an impossible proposition.

Don't be a quitter. Never say: "This is too tough a proposition for me."

Don't say: "It can't be done." The right thing to say is: "This may be a hard nut to crack but there is a way to do it. If I don't do it, the chances are my competitor will."

Don't throw waste paper or refuse on the floor.

Don't lose your temper simply because your customer shows indication of losing his.

Don't take an argumentative attitude. Make him feel that you are agreeing with him while you are making him come your way.

Don't know it all. Give the other fellow a chance to express his views and thereby find out perhaps that he has forgotten more than you ever knew.

Don't beg him to buy. When a salesman begins to beg, it is evident that he has no more arguments.

Don't trust to persuasion alone—convince him.

Don't dodge a question or objection—answer it fairly.

Don't talk for the sake of talking. Say something.

Don't get sore because your prospect gives your competitor an order occasionally. Remember this is a free country and he has a perfect right to do as he pleases.

Don't try to put anything over. Play the game squarely and you will last longer.

Don't leave your customer until he thoroughly understands your proposition. Goods well sold are half moved off the shelf.

What Should Go Into the House Organ?—Some of the things which a salesmen's house organ may reasonably be expected to accomplish are:

1. Disseminate news.
2. Instil enthusiasm and optimism.
3. Give advice as to changes in the line.

4. Inform salesmen as to the standings in contest.
5. Stir up friendly rivalry between the men.
6. Build up loyalty to the firm.
7. Give education on methods of selling.
8. Develop a clearer conception of the business as a whole and the salesman's place in the organization.
9. Educate the salesman as to the problems of his customers.

There is a tendency to devote too much time to news of the home office. While the home office should have its share of publicity, it should not monopolize the space. A big question is how to get salesmen themselves to contribute to the house organ.

Many good salesmen have neglected the written for the spoken word. They are not always good grammarians and frequently are poor spellers. They may be aware of their shortcomings and for this reason be reluctant to send in contributions. It is the task of the house organ editor to edit a manuscript in such fashion that it bears a recognizable likeness to the original but is at the same time without its faults. The editor can tell the men that he appreciates the fact that they are busy selling goods and have little time to write articles for his publication, but that if they will just jot down the main points he will try to relieve them of the detailed part of the work in preparing the manuscript for the printer.

Every order and report which is sent in by a salesman may contain the germ of a good story. Every unusual order should be made the subject of inquiry by the editor, and the salesman persuaded to tell how he landed it.

The ideal salesmen's house organ is personal in tone and contents. To the salesman, the biggest thing in life is people. He is not so interested in machines or processes or office systems and records. For this reason the house organ which will interest him is filled with "human interest" stories. These may be biographical in character or more strictly narrative, but they should concern "folks." The idea to be fostered is that the sales force constitutes one big, happy family.

The salesmen's house organ cannot be edited with shears and paste brush. It must not overflow with platitudes which fit the needs of a boys' Sunday School class or a gang of machinists'

helpers with equal appropriateness. It must be intensely personal and breathe the spirit of that particular organization. There will be a tendency to feature the activities of the star salesmen to the exclusion of the smaller producers, unless the editor is on his guard. If he cannot chronicle the record-breaking sales of plugging John Jones, he may at least print a picture of Jones' small son, which his fond father has snapped. Publicity in the house organ should be dispensed with an impartial hand, and every member of the organization should at some time receive recognition.

When the company officials contribute, care must be taken to guard against their "preaching" and "talking down" to the men. Their offerings should be couched in a man-to-man style, for the salesman is accustomed to meeting and transacting business with men of all degrees from the highest to the lowest, and does not relish any air of condescension.

In addition to contributions from the salesmen and from the executives, it is often helpful to persuade some of the men in the plant to tell of their work in production. When these articles come from the workers themselves they are likely to carry more weight than when they are written up by the editor. If the product is sold through dealers, they should by all means be encouraged to tell why they handle it and how they have sold it successfully. If the product is used by the purchaser, as an office appliance, the users should be asked for contributions. These are in the nature of testimonials, of course, but can be disguised sufficiently to make them readable.

The house organ editor should keep a file of ideas, many of which he will glean from exchanges. This file should be kept live by constant care, for any editor knows that it is an easy thing to exhaust his ammunition in such an effort.

The house organ may be mailed direct to the home address of the salesman, to be sure that it reaches him and to be sure, as well, that his wife is made acquainted with her husband's work and problems through reading it.

CHAPTER X

SALESMEN'S REPORTS AND LETTERS

Recent Emphasis on Reports.—Before the introduction of modern ideas of sales administration the attitude of the average salesman toward the making out of reports was distinctly antagonistic. If called upon to express his feelings he would voice them somewhat in this vein: "I'm paid to sell goods, not to play bookkeeper. I'm sending in the orders right along and I guess that's about all the report the office needs as to what I am doing." The attitude of the average sales manager coincided closely with that of the salesman. He felt that as long as the orders were forthcoming, he had scant reason to expect the salesman to spend long hours in making out voluminous reports as to conditions in his territory, his activities, and the like.

But slowly there developed the feeling that more facts were desirable, and the salesman, being in the territory, was naturally called upon to obtain them. There has been a continual struggle between manager and men over this point in many concerns, while others have solved it quite satisfactorily.

Value of Reports to the Salesman.—In order to secure the coöperation of the salesmen in making out reports it is necessary to sell them on the idea that it is to their advantage to do so. In the well organized concern this is not difficult, the following points being made:

1. The making of reports is of incalculable value to the salesman himself, even though he never mailed them in to headquarters. One sales manager who has made an unusually successful record stresses this point very strongly. He affirms that his own experience as a salesman and as a manager proves conclusively that the salesman who is compelled to analyze the work of each day, to check back over each sale or failure to sell, is thereby greatly strengthened. It forces him to analyze his failures as well as his successes, and after a few weeks or months of this scrutiny he begins to discern the difference between

methods which lead to sales and those which seem to bring only turn-downs. The forced study of his territory, his customers, their stocks, their business methods, all aid wonderfully in equipping him for scientific selling. If the reports did nothing else but this, they would be worth insisting upon, in the opinion of many shrewd sales managers.

2. The second point, on which the manager bases his argument that the salesman should make out reports as requested, is founded on the fact that the information thus secured is used by the sales promotion department to help the salesman make more sales. This is accomplished in a variety of ways, as the sending of letters or special sales literature to certain prospects or customers, which would make it easier for the salesman to sell them later. The facts sent in by the salesman are also grouped in a number of ways, used to construct tables and charts, which show conditions to the salesman more clearly than he could possibly visualize them himself. He can be made to see that it is to his personal interest to furnish the reports desired.

With these points in mind it can be seen that it would not be necessary or desirable to compel all salesmen to make out the same reports. A man covering a territory for the first time might profitably make out more detailed reports than would be needed after he had traveled the route for five years. Also, reports on a territory just being opened up would be more voluminous than those on an older territory.

Time of Salesmen Should Be Conserved.—As far as is consistent with the first principle previously mentioned, the reports should be as brief as possible. They should be so designed as to reduce the salesman's clerical work to a minimum. The average salesman is not suited by temperament or training to clerical detail. He dislikes it thoroughly and is likely to slight it if he can. For this reason, better results will be obtained by devising a report form which can be filled out in a few minutes merely by checking or writing a few words. The facts given on this master report can be used in various combinations by the office employees in constructing tables, averages, charts, etc., but the salesman should not be asked to do this under ordinary conditions. An exception to this rule is

found in those cases where it is desired to impress strongly certain facts on the salesman's mind. Then it helps to have him do the figuring himself. In general, however, it is poor policy to ask a $2-an-hour man to do work which can be done by a 25-cent-an-hour worker.

Reports Should Get at Causes.—Another point which should be borne in mind is that the reports of the salesmen are designed to tell *why* certain facts and situations exist. That is, they should explain and clarify problems with which the sales manager is struggling. They should tell why sales in a certain town are lower this year than last, or why the sales of a particular item are running higher in September than ever before. It is this use of the reports for the purpose of discovering reasons which makes them of real value, for they enable the sales manager also to make calculations and plans for the future. As a basis for planning, these reports should be invaluable.

In a sales manual issued by the Westinghouse Lamp Company for its salesmen appears this statement:

> "The salesman who makes a successful sale loses more than half of his success if he does not recognize the reasons for its accomplishment and use the same methods in another sale. Too many men are so busy doing things that they cannot get underneath the surface to find out *why* they are doing them. The qualities of a successful salesman are the qualities of the executive."

The salesman who makes prompt reports to headquarters is making staunch friends there who will be glad to do him a good turn when the opportunity offers. A suggestion from the treasurer or credit man may be worth hundreds of dollars to the salesman receiving it. This is another phase of the fundamental principle of coöperation, without which no business can reach its fullest success.

Alibis Are Not Wanted.—The salesman should also make out his reports with the viewpoint of the office in mind. They are not keenly interested in the common type of so-called "weather" reports. They are not able to use flimsy and thread-bare alibis in the planning of future sales. What they want is facts and reasons on which to base their campaign for *future* sales.

One sales manager has a form letter he uses in replying to

these "weather reports" sent in by his salesmen instead of orders. It is pithy and pointed.

Dear Mr. Smith:

We haven't time to read your long letter of June 28th.

I was very much impressed with a letter from Mr. Brown this morning, in which he says:

"Enclosed please find contract. I hope to send another one tomorrow."

Of course, such an attitude must be tempered with the idea that the right kind of reports *are* wanted, or the salesman will be discouraged from making any.

William F. Hypes, sales manager for Marshall Field and Company, emphasized the necessity of coöperation in the making of reports thus:[1]

"I try to make my men understand that the ability to sell is not the only quality needed in a salesman. Show them that simple ability to land orders will not qualify them for our sales force unless at the same time they follow absolutely the instructions of the house and attend promptly to the details of their work.

"Every day that I sit at my desk and watch reports come in from the men in the field, I wish I had a more forcible way of saying or demonstrating the truth of this statement, for I know that some of these men must learn it sooner or later through sad experience."

The Daily Report.—As a general rule, salesmen are required to send in daily reports. These reports vary widely as to contents, but are designed to give the sales manager information regarding the work of the salesman for the day. They usually contain the number of calls made, the names of prospects sold, names of those he was not able to sell, together with a reason for such failure, business conditions in the city, total sales for the day, and total expenses for the day. These last two items are important, as they call the salesman's attention to the relation between expenses and sales. He knows what that ratio should be and is thus kept on the alert to hold it within the maximum allowed. Other items sometimes asked for are: name of buyer, objections raised, whether the salesman was given

[1] "The Library of Business Practice," vol. IV, p. 102, A. W. Shaw & Co.

an opportunity to give his selling talk or make his demonstration, whether the call was an initial call or a repeat call, the names of competing goods in stock or in use by prospect.

If the salesman wishes the coöperation of the sales promotion department in landing some difficult prospect, he fills out a special blank giving the necessary facts, such as the line of business of prospect, class of trade sold, kind of help needed from sales promotion department, as letters to the prospect, window trims, booklets for distribution, etc. The time that these aids are to be sent out is also indicated, for the salesman wishes to have the way cleared thoroughly for his next call.

A few firms, whose supervision over their salesmen is very close, ask the men to fill out reports which are virtually work tickets, indicating just what the salesman was doing at each hour of the day. The high-grade commission salesman will not do this, but with a certain class of men it seems to work successfully.

Getting Coöperation of Salesmen.—The greatest difficulty encountered in the matter of reports is to persuade men to send them in promptly and properly filled out. At the close of the day the salesman is likely to be tired. He seeks relaxation in a game of pool or cards, and the report is postponed until the following morning, by which time he has forgotten some of the facts or is so hurried that he slights the whole thing.

Various devices have been tried to accomplish the end mentioned, some of which usually prove effective. One rather common plan is to print the blank for the reporting of the expense account on the same sheet as the daily report of activities. The salesman never fails to make out his expense account, and if the firm refuses to honor this unless the other report is properly filled out, strong pressure is brought to bear.

Another method is to make prompt and complete reports a factor in the awarding of prizes, bonuses or points. This is perhaps better than using the negative method of fining a man for late or inadequate reports, although some firms use this latter plan.

Checking Up on Reports.—Some system of checking up on salesmen's reports is necessary. A simple plan is to rule off a sheet with a line for each salesman and a column for each day

of the month. When the report comes in on time, a check or cross is placed in the proper square, and when it is late, a post-card reminder is sent the salesman. If this does not bring results, a personal letter from the sales manager usually will. The idea involved here is simply to impress on the salesman the fact that his reports are being watched carefully.

Weekly and Special Reports.—In addition to the daily reports, many salesmen are asked to make out weekly summaries. It is doubtful whether this is always advisable, as the average salesman is tired at the end of the week and desires relaxation. He wants to forget reports and similar reminders of his daily grind. Unless it is thought that it will be better for the salesman to make these out than to have them compiled at the office from his daily reports, the latter plan is probably better; that is, the effect on the salesman himself might be beneficial if he were required to recapitulate his week's work in this fashion.

Special reports are often called for regarding certain customers or prospects, in addition to the regular reports. These may be wanted by the credit manager, the sales promotion manager, the advertising manager, or other executives, but should be made as promptly and fully as the regular reports.

In case the salesman is covering a regular territory, calling on the same customers each trip, his report-making may be simplified by partially filling out the blanks before he leaves headquarters, or by mailing them to him after he has gone out. For example, the blank might be prepared to include information about the previous purchases of the customer, as well as his name and address. Then when the salesman reached the town, he would merely have to fill in a part of the form, and mail it in. Besides, the slip serves to remind him that he is expected to call on this customer, for the home office is watching and keeping tab on him.

LETTERS FROM SALESMEN

The report, filled out on a printed form, should be supplemented by letters from the salesman. One sales manager characterizes the daily letter from the salesman as "the most important single thing that the salesman sends in to the sales man-

ager." The salesman should be encouraged to write daily long, intimate, personal letters to his boss. Perhaps there is no better criterion of the spirit of a sales organization than the frequency and fullness with which the men write their manager about their work on the road.

Contents of Letters.—In these letters much can be told for which no place is regularly provided on the report blank. The activities of competitors can be described in detail, and perhaps some valuable merchandising ideas gleaned therefrom. Accounts may be given of successful sales, with a careful description of methods used, so that the manager can use the information in helping the other salesmen meet like situations.

Sometimes an alert salesman will discover a new outlet for the product or products. He may discover that it can be sold in hardware stores as well as in notion or drug stores. Or perhaps he has learned of a new use which some one has found for the article. This can be relayed to the other salesmen via the sales manager, thus providing the whole force with an additional talking point. Another matter which should be covered in these letters concerns the advertising which the firm is doing. The salesman has a splendid opportunity to observe the attitude of dealers on this point, whether they use the advertising matter sent them, whether they are sold thoroughly on the value of the advertising to them. Particularly valuable are the salesman's comments on the various dealer aids put out by the sales promotion department, such as window trims, transparencies for store windows and doors, counter cards, signs, etc.

The salesman who is alert will be able to pick up much valuable material in the way of testimonials for his product. It should be his aim to gather these kind words and send them in to the sales manager, who can use them in bulletins to the sales force or pass them on to the advertising department.

THE EXPENSE ACCOUNT

Selling Expenses Being Analyzed.—The efficient handling of the salesman's expense account is a mark of the good sales manager. There is perhaps no point at which friction more easily occurs between salesman and manager than this, and

especially has this been true during the first year or two of the buyer's market which followed the war boom. With railroad fares and hotel bills higher than they had ever been, sales managers began to devote even more thought than they previously had to the subject of selling expenses.

In fact, the "cost to sell" has received increasing attention for several years. Formerly volume was the chief consideration, and the salesman who produced volume was the star. Many managers never even checked his expenses against his sales to determine whether his sales were bought at too dear a price, and salesmen continued to entertain their customers lavishly, to live extravagantly while on the road, and to pile up a selling cost entirely out of proportion to the sales they made. With a better understanding of cost accounting has come a revaluation of salesmen on the basis of profits they produce, and one of the first items to undergo close scrutiny was the expense account.

The changed ideals of salesmanship have also had an influence on the expense account. The salesman who is obliged to "buy business" is not esteemed very highly by his colleagues who are able to "sell goods."

Of course, the entire discussion in this section assumes that the firm pays the salesman's expenses. In case the man is paid on some other basis, as straight commission, under which the salesman pays all his own expenses, the expense account presents no problem for the sales manager's solution.

Necessity for Clear Understanding.—Before we enter upon a discussion of what items may properly enter into the expense account, it may be helpful to point out one underlying principle which should govern the sales manager in handling this difficult problem. Whatever items it is decided to allow, and whatever items it is determined to exclude, the salesman should be given a clear understanding of them before he starts on his first trip. Probably more trouble has arisen from a lack of understanding regarding expense accounts than from any other feature connected with them. The salesman enters an item in his account; probably he was accustomed to include it with the firm he last represented. He was absolutely innocent of any intention to deceive or to transgress the rules of the firm. The sales manager observes this item, immediately concludes that his man is a crook,

and dictates him a sharp letter calculated to let the fellow know that the boss is on the job and doesn't propose to let any such brazen attempt at theft get past him. The salesman is genuinely hurt, his friendship is lost, his good-will alienated, and an ambition implanted within him to slip something over on the chief just to show him that it can be done. He reasons that if he is considered a crook anyhow, he might as well be one and profit by it. A clear understanding at the outset will prevent such occurrences, which are all too common.

Selecting the Headquarters City.—The usual practice in handling expense accounts is to fix first upon a city or town which the salesman is to consider as his headquarters. While he is in this city he is expected to board and house himself, whether or not he may be married. This city may or may not be the city in which is located the office to which he reports. Much opportunity exists for the exercise of judgment in the selection of the salesman's headquarters city, the choice being governed partly by geographical reasons and partly by the desire to permit the salesman to live where he will be contented. The more nights out of the week he can spend at home, other things being equal, the lower will his expense account be. Whenever a salesman's cost-to-sell is too high, it may be well to investigate this matter of headquarters. One sales manager says he has often paid for the moving of a salesman's family and saved the amount in a few months.

When the salesman is away from his headquarters, the firm pays his meals, and for his lodging if he is away over night. Usually, also, it pays his railroad fare. At this point practice begins to vary widely, some firms paying for parlor or chair car seats, laundry, taxi fare, excess baggage, tips, cost of traveling bags, entertainment, etc. Other firms limit the number of items allowed. Then there is the flat expense account. These points merit further discussion.

The extent to which a firm is willing to pay for luxuries in the expense account depends largely upon the class of trade to which their salesmen are selling. Some firms, selling a high-priced product to an exclusive trade, feel that they would suffer a loss in prestige and actual decrease in business by allowing their salesmen to stop at cheap hotels or travel in day coaches.

For this same reason they are willing to pay laundry bills, to be sure that their representatives always appear in clean linen.

Padding the Expense Account.—One point of policy in this connection deserves discussion. Some salesmen feel that if their house is willing to pay for a chair car, that it is perfectly permissible to take a day coach and include the extra amount for the chair car in the expense account. The same principle applies all the way through. If the salesman sits up in a day coach instead of going to bed in the Pullman, he reasons that he is entitled to the saving he made. If he eats at a dairy lunch and then enters the amount usually charged by a first-class hotel in his expense account, what business is it of the firm's? He made the saving himself; he deprived himself of the luxuries, should he not pocket the gain?

At first this sounds reasonable, but closer analysis reveals the underlying fallacy. The house was willing to pay for a berth in a Pullman, a seat in the chair car, a meal at the good hotel, because the management felt that these would make for greater efficiency on the part of the salesman. A good night's rest would put him in trim for the next day's work; a seat in the chair car and a meal at the good hotel would establish with his fellow travelers his standing as the representative of a first-class firm, and would give him the confidence needed to make sales. It is undeniable that much of a salesman's success depends upon his mental attitude. If he can dress well, and otherwise live as one who has achieved success, he is able to hold his head up and meet any prospect with confidence. If it were not for this fact, more firms would permit their men to pay all their own expenses. But too many men would try to save on their expenses, thereby weakening their confidence in themselves and cutting down their sales.

We may then conclude that, aside from the purely ethical aspect of the question, it is poor business to attempt to pad the expense account on these items.

The whole problem of padded expense accounts is one which gives the average sales manager grave concern. In general, it may be said that it is wise to adopt one of two widely differing policies regarding the supervision which is exercised over the salesmen in this particular. The sales manager should either

place the salesman absolutely on his honor and accept the expense accounts without question or quibble, or he should exercise the very closest scrutiny, checking up at every point as far as possible. Some managers even go so far as to make all hotel arrangements from headquarters for their men. A half-way policy will not work. The efforts to check up occasionally result in arousing the antagonism of the salesman, who feels that his word is being doubted; while at the same time the supervision is lax enough to allow many irregularities.

Excess baggage charges provide a subject of frequent misunderstanding. A cigar passed out to the baggage man has prevented him from weighing up a big trunk many a time. The salesman may prevail upon his friend, who carries only a portfolio, to check an extra trunk on his ticket, but in both cases the item "excess baggage" finds its way into the expense account all too often. It should be pointed out to salesmen that it pays to maintain friendly relations with the railroad employees, especially conductors. The conductor is absolute master of his train, and if he orders the salesman to check his bulky sample case instead of trying to get it by as hand luggage, there is nothing for it but to check it, thereby perhaps incurring another bill for excess baggage. Many a "young trunk" has been permitted by a friendly conductor to ride in a passenger coach when it should have been in the baggage coach ahead.

Local transportation, as taxi, street car, bus to hotel, etc., may make trouble. The free bus to the hotel may tempt the salesman to slip in a small item for taxi or street car fare. This is often dangerous, as sales managers can too easily check up on this point.

Tips to waiters, checkroom attendants, porters, bellhops and other servitors are now disallowed by many firms, as they tend to gross extravagance and tempt the salesman to pad his account.

At the time this is being written (April 1922), sales managers are scrutinizing expense accounts more carefully than for many years, and salesmen are actually fearful in many instances to include the price of a real meal at a first-class hostelry. They prefer to absorb a part of the expense themselves many times for fear of arousing the wrath of their manager.

It is difficult to check up on hotel expenses of the men, as the hotel clerks and proprietors desire to hold the friendship of the traveling salesmen. A request sent by a sales manager to a hotel proprietor for a duplicate bill of a salesman's stay there is often not acknowledged at all, or perhaps by a brief note indicating that it is against the policy of the hotel to furnish such bills. Even where the salesman obtains a receipted bill and presents it as a voucher that he has paid the stated amount for hotel accommodations, the sales manager is wary, for he knows that it is possible to obtain such bills from hotel clerks where the actual expenses are less than the amount indicated on the bill.

Entertainment.—The item of entertainment has in the past given much trouble. Sales managers are solving this perplexing problem lately by eliminating this item entirely and refusing to approve any expenditure for this purpose. Of course, there are still many firms whose men must spend money for entertainment, as in selling large orders like road machinery, cement for road building, equipment for public buildings. But the sums spent in this fashion are far smaller than formerly.

The mildest and commonest form of entertainment expense arises from the custom of giving cigars to prospects and customers. In many expense accounts this item appears daily, the figure being usually somewhere around fifty or seventy-five cents. Even this expenditure is being cut down, many firms having eliminated it entirely. The reason, apart from expense, is that it is a form of commercial bribery tending toward the "buying of business" instead of the selling of goods.

One firm handles this question of entertainment expense by having the salesman report just how the money was spent and on which prospect it was spent. In this way, if the reports can be believed, the manager obtains an idea as to whether the expense was justified by the business obtained.

The Flat Expense Account.—Some firms meet the situation by allowing a maximum amount for expenses, offering no objections to any items so long as the total stays within this limit. As a matter of fact, the cost-to-sell is supposed to stay within certain limits, and it is usually only when it threatens to exceed this amount that the sales manager begins to blue-pencil certain items. The flat expense account has much to recommend

it, but the weakness is merely this: if the proper amount can be definitely estimated, why call it an expense account at all? Why not pay the salesman that much and let him pay his own expenses? This latter method is employed by many firms.

Agitation Against High Hotel Rates.—There has been agitation by sales executives regarding hotel expenses, which bulk large in expense accounts. It was estimated that in 1920 the 600,000 traveling salesmen of this country spent a little over half a billion dollars in hotel bills. The rates charged by many hotels did not seem to decline as rapidly as the general cost of living, so sales managers, stimulated by small orders and an alarmingly increased cost-to-sell, directed their energies toward persuading the hotels to lower their rates. The Hotel Committee of the International Federation of Commercial Travelers Organizations sent out a circular in 1921 to its members, from which the following paragraph is quoted:

> Traveling men all over the country have reached the conclusion, and rightly so, that the prices charged by hotels for rooms and meals have reached the peak and it is time to call a strike. The traveling fraternity has the same weapon with which to wage warfare upon the hotel proprietors and hotel corporations that the general public used in refusing to purchase wearing apparel and shoes at prices which they thought unreasonable and out of proportion. Therefore, in order to help you and your fellow travelers, the Hotel Committee of the International Federation of Commercial Travelers' Organizations urges the recipient of this letter to refuse to patronize such hotels as are charging or asking exorbitant prices for rooms and food. This letter is being sent to six hundred thousand traveling men and each and every man must do his part, for only in unison is there strength.

The men were urged to send in menus and rate cards so that the committee could have definite data on which to work. A sort of a strike was carried out and some results obtained. The American Society of Sales Executives, a group of the sales directors of large manufacturing concerns employing about ten thousand men all told, asked their salesmen to call the attention of hotel clerks and proprietors day by day to the fact that rates were too high. It was believed that this constant repetition would eventually wear through the toughest skin. They aimed at a reduction of fifty cents a day, which would be an appreciable saving when multiplied by 600,000.

Other organizations joined the movement, and many sales managers who were not members of any organizations brought pressure to bear on their men and through them on the hotels and restaurants. This agitation bore fruit and doubtless secured reductions in rates long before they would have come without it.

Concentration of Authority over Expense Accounts.—It is wise to place the administration of the expense account in the hands of one person, making him responsible for all rulings on questioned items. He may consult his chief about certain problems, but the salesmen should think of him as the final authority on expense accounts. He issues all funds for expenses, no matter who is doing the traveling. If it is the sales manager himself or the president of the concern, he must call on this man for the necessary funds and must account to him for his expenses.

The methods of getting the money to the salesmen vary. Some well known firms can use letters of credit, others use travelers' checks. The use of the firm's personal check is discouraged by hotels, as they have been victimized frequently in this way.

The men should be provided with pocket expense account books in which to keep a record of their expenditures. By having these uniform and conveniently ruled the men can keep them more easily and accurately. From these the amounts are copied on to the blank forms provided.

The following instructions to salesmen were issued by the Addressograph Company and indicate both the importance attached by that successful concern to salesmen's reports, and the detailed nature of the instructions to insure accuracy:

DAILY REPORTS
(28 Paragraphs)

1—ALL MUST MAKE REPORTS

Every salesman, every manager who sells, every salesman doing repair work, must not consider himself in any way excused from mailing to the Home Office EACH day complete reports on ALL of his calls for that day. This will be easy and automatic if reports are made out in pencil at close of each interview.

2—WHEN REPORTS MUST BE MADE

Investigation shows that nearly every salesman, if left to his own devices, has some "pet" method of making out reports. But for the

good of the entire organization, the Home Office requires every salesman to adhere to just ONE UNIVERSAL way of making reports: Make your report IMMEDIATELY AT CLOSE OF EACH interview, telephone conversation, or letter dictation. Then when day is finished—reports are finished—NO working after hours, Sundays or holidays. Mail reports EVERY night.

It is a proven fact that Addressograph managers and representatives who are making the most money are those who systematically adhere to a carefully planned schedule for each day, which enables them to make the greatest possible number of business calls DURING CALLING HOURS. It is significant that these particular representatives do not consider it a hardship—just the opposite, a big factor in their success—TO PROMPTLY MAKE REPORTS on all their calls.

3—AT LEAST FIVE REPORTS DAILY

Every salesman, every manager who sells, and every salesman who also makes some repair calls, is expected to mail to the Home Office at least five complete reports on prospects or customers each working day—NOT LESS than 125 reports each and every month of the year! No exceptions to this rule. (Dealers who handle Addressograph sales as a sideline are also required to mail complete reports to the Addressograph Co. on all calls—no matter how few—same day calls are made.)

4—ALWAYS USE REPORT FORM

A report by letter will not be accepted unless a *completely filled out* report form (AS217) is PINNED thereto. In a few special cases it may be necessary to amplify information written on Regular report form with a letter. But in such cases customer's or prospect's name and address must appear at top of letter—also specify on report: "See Letter 7-1-19 attached."

5—ONLY PENCIL-PRINTED REPORTS ACCEPTED

By making out pencil reports immediately after each call your reports are more accurate and valuable to Home Office—and less work for you than typewriting inaccurate, incomplete reports after day's work is over.

Use pencil only. PRINT NAMES and ADDRESSES. DON'T WRITE! ("Remarks" may be written). Always sign your name and give date. NUMBER your reports consecutively, beginning with No. 1 at first of year.

6—INACCURATE REPORTS WASTE ADVERTISING—DISGUST PROSPECTS

Our prospect lists are embossed from your reports. So be accurate. Remember you are preaching ACCURATE Mailing Lists to prospects. Therefore show correct initials and title. Give right spelling of names. Show whether St., Ave., Boul.—Be sure town and state

is correct. (Circulars are not handled like first class mail letters, but are BURNED by Post Office if correct addresses are not given.)

7—WE SUGGEST THAT YOU MAKE THREE CARBON COPIES

Always mail ORIGINAL copy of each report to Home Office. FIRST CARBON copy should be filed alphabetically for your office reference. SECOND carbon should be placed in a DATE tickler as a REMINDER when to next get in touch with prospect. THIRD carbon can be filed in a "ZONE" file—arranged by street numbers and blocks. When leaving for any certain section of territory you can pick out of ZONE file these "reminders" on other good prospects in that immediate vicinity.

8—REPORTS ON ALL CALLS

Complete reports are required on EVERY call—personal or telephone, prospect or customer, regardless of nature of call. Complete reports are also required on prospects and customers who call at your office and on ALL REPAIR calls by salesmen who do repair work.

9—REPORTS ON INQUIRIES AND TIPS

Very Important! Exercise greatest possible speed in immediately giving attention to prospects or customers who make inquiry—or on whom you receive "tip" to call. Remember prospect may also have made inquiry of paper stencil manufacturers. You should call, write, or telephone without delay—get in touch while prospect IS STILL INTERESTED and report promptly (otherwise NO MORE inquiries can be forwarded to you).

10—REPORT "NO GOOD" PROSPECTS QUICKLY

"N. G." reports most important of all. They enable Advertising and Sales Department to INSTANTLY stop waste of mailing COSTLY advertising and sales promotion letters—and thus give your "good" and "fair" prospects MORE advertising and sales letter follow-ups.

11—ATTACH REPORTS TO ALL ORDERS

Former ruling on "sold" reports now changed. To all orders sent in, attach completely filled out reports specifying whether order was taken on PERSONAL CALL or MAILED to you. Mail orders indicate to Home Office just how systematically you follow up "out of the way" prospects by letter.

12—REPORT ALL TELEPHONE CALLS

Telephone reports should specify: "Telephone—not a Personal Call"—and state gist of telephone conversation held with particular prospect or customer.

13—REPORT ON LETTER WRITTEN

When you write a letter to a customer or prospect make out a *complete* report with name, address, all details, and remarks as:

"Wrote 7-1-19—see attached carbon." Be sure to PIN carbon of letters to report and mail both to Home Office same day letter is written.

14—REPORT OFFICE CALLS AND DEMONSTRATIONS

Reports are required on all prospects or customers who call at your office for a demonstration, for service or information, etc.

15—"NOT IN" CALLS MUST BE REPORTED

In case prospect or customer is "not in" when you call—make a complete report, stating why you called.

16—REPORT COPY FOLLOW-UP CALLS

Orders for which no copy is received within 3 months are cancelled by Home Office. Every salesman expected to follow up his NEW customers to see that copy is sent in. Reports on such follow-ups are just as important as other reports.

17—REPORT ALL REPAIR CALLS

Salesmen who make repair calls in addition to their selling work are expected to make a separate complete report (Form AS 217) on EVERY repair call, showing time required—repairs performed, etc.

18—"NO REPORTS—NO COMMISSION"

This rule will not be appreciated unless it is understood thoroughly. So consider the following.—In the first place, the Home Office vigilantly protects each and every manager who sells, and every salesman with the territory for which he is responsible.

19—DEFINITE TERRITORY FOR EVERY SALESMAN

Furthermore, the Home Office expects each and every salesman whether working direct under the Home Office or under a branch manager, to have a definite, individual territory instead of working co-jointly with the manager in the whole Branch Office territory.

20—ALL SALESMEN ENTITLED TO INQUIRIES, TIPS, ETC.

Every inquiry, tip or telephone call must be turned over directly to the salesman covering the territory from which the inquiry, tip or telephone call emanates. No manager can rightfully withhold an inquiry of any kind from the respective salesman, except an inquiry from a customer or reserved prospect—or some unusual inquiry requiring more experience to handle than may be possessed by a new salesman.

BUT ALL INQUIRIES ARE TO BE WITHHELD BY THE HOME OFFICE IF RESPECTIVE SALESMAN HAS NEGLECTED INQUIRIES PREVIOUSLY GIVEN HIM TO FOLLOW UP AND PROMPTLY REPORT ON!

21—BUT DON'T WAIT FOR INQUIRIES

All inquiries and tips must be attended to *promptly*—reported on

promptly—and perseveringly followed up until sold. And this brings us to the point that none of us, however, can afford to wait for inquiries. We must constantly and consistently look for NEW prospects and these also, must be followed up.

22—MOST CAREFUL PLANNING REQUIRED

Naturally every manager and every salesman must conscientiously and systematically plan each day's work so that the maximum number of prospects can be followed up and sold with least loss of time and effort. Even then the best laid plans will not make it possible to follow up all prospects frequently enough and also locate all of the NEW prospects who can use Addressograph to advantage.

23—SALESMEN PAID FOR WORK THEY ACTUALLY DO

It must be understood then, that the company's policy is to pay commission to every salesman on every order he closes, and on every deal which he worked on and properly reported within 90 days prior to receipt of order.

24—NO COMMISSION ON NEGLECTED DEALS

On the other hand, the company does not reward any manager or any salesman with EXTRA compensation on orders the company receives and which a manager or a salesman HAS NOT HAD ANYTHING TO DO WITH—or on deals closed, which a manager or salesman HAS NEGLECTED TO REPORT FOR MORE THAN 90 days!

25—RULE PROTECTS EVERY MAN

This rule protects EVERY MAN on EVERY deal he ACTUALLY WORKS ON—and properly follows up, and it NEVER TAKES ONE SINGLE CENT of EARNED commission from any one.

26—INCREASES COMMISSIONS

The most valuable feature is that EVERY salesman makes MORE money for HIMSELF because of this stimulating rule, "NO REPORTS—NO COMMISSION." And the most significant part of the rule is, that it is a gentle reminder that EVERY territory is TOO LARGE for any salesman to cover even 50 per cent effectively.

27—MORE REPORTS, MORE COMMISSIONS

This important stimulus keeps every manager and every salesman ACTIVE, which directly results in more calls, more reports, more orders and more commissions.

28—TREAT ALL USERS COURTEOUSLY

Courteous service to ALL CUSTOMERS is a condition that ALL Addressograph salesmen must assume in EVERY territory whether customers place their orders through them or direct with the company or other representatives in other territories.

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